

FINANCIAL PERFORMANCE OF CEMENT COMPANIES IN INDIA – AN EMPERICAL STUDY

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Abstract

In the World, the second major manufacturer of cement is the India. No marvel, India's cement production is an essential part of its economy, given that employment to more than a million people, directly and indirectly. India has a lot of options for development in the transportation and infrastructure sector and the cement sector is expected to largely benefit from it. The objectives of the study are to find the short term financial performance of the sample cement companies and analyze the profitability condition of the chosen cement companies. It is based on the convenience sampling method. The information used in this study is secondary in nature. Profit earning is measured necessary for endurance of the industry. The Profitability ratios show the capability of the select companies. The financial positions of the selected cement companies are reasonable. But both the companies must improve their short term solvency position. The profitability ratio of two cement companies is satisfactory and the two selected companies' short term liquidity position is not satisfactory because the selected company's current ratio and Quick ratio level is below one and two selected companies are quickly maintained their inventory, investment and Debtors. Ultra Tech Cement Limited correlation between the Investment Turnover Ratio and Inventory Turnover Ratio is Iwhich is very strongest. The correlation between Debtor Turnover Ratio and the Net Profit Ratio is - 0.972 which is very weak. Shree cement Limited correlation between the Investment Turnover Ratio and Debtor Turnover Ratio is 1 is very strong. The Investment Turnover Ratio and the Debt Equity Ratio are – 0.760 which is very weak. The competence of a compact depends ahead the functioning operations of the anxiety.

Keywords: Cement industries, Financial Performance, Financial Statement Analysis Tools



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INTRODUCTION

India is the second major manufacturer of cement in the world. India's cement production is an essential part of its economy, given that employment to more than a million people, directly and indirectly. India has a lot of possibilities for development in the transportation and infrastructure sector and the cement sector is expected to largely benefit from it. Indian cement Industry has played a predominant role in the growth of Indian Economy after the independence. The housing and real estate division is the largest claim driver of cement, bookkeeping for about 65 per cent of the total use in India. The other major consumers of cement include public connections at 20 per cent and industrial growth at 15 per cent. Cement production ability stood at 502 million tonnes per year (mtpy) in 2018. Cement utilization is estimated to grow by 4.5 per cent in FY19 supported by pick-up in the housing segment and higher carrying spending. The industry is now producing 280 MT for meetings its home demand and 5 MT for exports constraint. The Indian cement industry is conquered by a few companies. A whole of 210 bulky cement plants account for a collective installed ability of over 350 million tonnes, with 350 tiny plants accounting for the relax. Of these 210 large cement vegetation, 77 are situated in the states of Andhra Pradesh, Rajasthan and Tamil Nadu. There is no substitute for the cement has been discovered and industry is growing day to day. After from the construction of houses, dams, bridges the cement is widely used for the railway sleep bags, sanitary purposes, roof sheets in the form of asbestos. Enormous production of cement is the precondition for intensifying construction activity in major sectors of Economy.

IMPORTANCE OF THE STUDY

Finance is one of the important factors for manufacturing and trading of goods and service of any enterprise. Every investment of finance in the business is to earn an optimum return in the form of profit. The business to earn a profit is one of the important factors for measuring the efficiency of the enterprises. The profits should be used in the business efficiently and effectively.

SCOPE OF THE STUDY

This present study is concerned with the financial performance of selected cement companies in India. In order to examine the financial position of the individual cement manufacturing company the correlation is calculated and also to analyze the Company's financial position for the period of five years. The researcher has chosen this study to know-

how the present study will examine the liquidity position of the selected companies. The present study will also examine the relationship between the ratios like Current Ratio, Quick Ratio, and the other selected Ratios.

OBJECTIVES OF THE STUDY

The following are the objectives of the study:

1. To find out the short-term financial performance of the sample cement companies.
2. To examine the profitability condition of the chosen cement companies.

METHODOLOGY OF THE STUDY

Analysis for this research was completed using the correlation method. The analytical tools such as Mean, Standard Deviation and Co efficient of narration and Pearson's correlation are used to find out the Short Term Financial Performance and see the differences. The study is based on the convenience sampling method. The information used in this study is secondary in nature.

PERIOD OF THE STUDY

The present has been carried out for the period of five years from 2015-16 to 2019-20. The researcher has gathered the data from the annual reports.

SAMPLE COMPANIES

Ultra Tech Cement Limited

Ambuja Cement Limited

REVIEW OF LITERATURE

T. N. Geetha, Dr. S.Ramasamy (2014) The production of cement in India has increased at a compound annual growth rate (CAGR) of 9.7 percent to reach 272 million tons (MT) in the period 2006-2013. It is expected to touch 407 MT by 2020. In this research the author make use of cement industry in India to find out the overall financial performance efficiency. India is the second largest producer of cement in the world. Twelve years data have been employed in this study from 2001-2002 to 2012-2013. To find out the overall performance efficiency the authors employed Ratio Analysis and Compound Aggregate Growth rate (CAGR). The authors found that the cement industry performance was good in India during the study period. The authors conclude that the Cement companies in India have to consolidate in order to become strong, vibrant and also they have to concentrate on the export market. **M. Senthilkumar and Dr. A. Panneerselvam (2016)** the study analysed the financial performance of the selected cement companies in India using Altman's Z-score

model. The period of the study was ten years from 2004-05 to 2013-14. The study found that financial soundness of Ambuja Cements Ltd. was good during the study period, since its overall Z-score was more than the standard during all the years of the study period. The financial position of ACC Ltd. and UltraTech Cements Ltd. was also good, since their overall Z-score was more than the standard during seven years and it was at moderate levels during other three years. The financial soundness of Shree Cements Ltd. was satisfactory during the study period, its Z-score was more than the standard during six years and it was moderate during another four years. Financial soundness in terms of Z-scores of JK Cements Ltd. and India Cements Ltd. was not good, for the study period their calculated Z-score was more than the standard. It was also observed that financial soundness of Barak Valley Cements Ltd. and Ramco Cements Ltd. was also not satisfied during the study period. **N. Sumathi, Dr. K. Jothi (2016)** India is the second largest producer of cement in the world. Cement production increased at a compound annual growth rate (CAGR) of 9.7 per cent in the period 2006–2013, producing 272 million tonnes (MT). In this study the author, select two companies. UltraTech Cement is the largest cement company in India and amongst the leading producers of cement globally. In the early fifties OCL has installed four numbers of Ball mills of FL Smidth for cement grinding purpose. For the result Comparative analysis both the companies must improve their short term solvency position. **Mohd. Ajmal (2015)** the present study is an attempt to evaluate the financial performance of Cement Industry of India with special reference to Cement Corporation of India limited (CCI). The financial performance will have been evaluated through the financial ratios. Liquidity position of the company will be checked through short term solvency ratios while earning performance have been evaluated with the help of profitability ratios. Other financial and statistical tools and techniques have also been applied in order to check the overall financial position of the company. **Dr. R Venkatacham and V Kasthuri (2016)** Cement Industry play very significant role in Indian economy. It facilitates the basic infrastructure facility for the development of the country. Indian Cement industry is the second largest industry throughout the Globe only after China. The cement companies have seen a net profit growth rate of 85 per cent. With this huge success, the cement industry in India has contributed almost 8 per cent to India's economic development. Nowadays, the cement industry is growing fast and to know, how the financial performance of the cement industries playing a vital role in India.

DATA ANALYSIS

The composed data have been analyzed by making use of descriptive analysis of Ultratech cement limited and Ambuja cement limited.

CR	CURRENT RATIO
QR	QUICK RATIO
DR	DEBT EQUITY RATIO
OP	OPERATING PROFIT RATIO
GP	GROSS PROFIT RATIO
NP	NET PROFIT RATIO
INVTR	INVENTORY TURNOVER RATIO
DTR	DEBTORS TURNOVER RATIO
INTR	INVESTMENT TURNOVER RATIO
STDV	STANDARD DIVIATION
COVAR	COEFFICIENT OF VARIATION

**Table- 1: Descriptive Analysis of Ultra Tech Cement During
The Year From 2015-2016 to 2019 -2020**

YEAR	CR	QR	DR	OP	GP	NP	INVTR	DTR	INTR
2015-16	0.71	0.56	0.41	18.63	13.32	10.18	9.45	14.39	9.45
2016-17	0.56	0.44	0.4	18.17	13.23	8.61	9.29	14.8	9.29
2017-18	0.63	0.52	0.3	28.66	23.81	8.72	11.52	15.81	11.51
2018-19	0.76	0.61	0.31	20.54	15.22	10.62	11.93	13.77	11.93
2019-20	0.7	0.59	0.71	21.72	16.06	6.87	9.89	16.2	9.89
Mean	0.67	0.54	0.43	21.54	16.33	9.00	10.42	14.99	10.41
SD	0.08	0.07	0.17	4.23	4.36	1.48	1.22	1.00	1.22
CV	11.59	12.37	39.09	19.63	26.68	16.47	11.75	6.69	11.75

Source: Annual Reports.

Interpretation

The table 1 shows the above data analysis it has been found that, Ultra tech Cement from 2015-2016 to 2019-2020. The profitability ratio is satisfactory and short term liquidity position is not satisfactory because current ratio and Quick ratio level is below one (1) i.e.0.67 and 0.54 respectively in Ultra tech Cement Company. It shows that the company is promptly maintained their inventory, investment and Debtors. The coefficient of variation evaluates how the mean of two variables move together. We may infer that the coefficient of

variation of Debt Ratio stood at 39.09 this shows that the company for positive level of Debt rate. Coefficient of variation of from profit stood at 26.68 which also show the positive growth of gross profit during the study period 2015-2020 the coefficient of variation of Operating Profit stood at 19.63 which shows the positive impact during the study period. During the study period the coefficient of variation of Net Profit of Ultra Tech cement stood at 16.47 which show the positive trend during the given number of years. The coefficient of variation of the Debt Turnover Ratio stood at 6.69 which indicate the company has minimal number of debt at particular years. The coefficient of variation for the Inventory Turnover Ratio and Investment Turnover Ratio stood at 11.75 which is the optimal relationship between each other. The coefficient of variation for the Current Ratio and Quick Ratio stood at 11.59 and 12.37 which are the minimal relationship and optimal growth.

**Table 2: Descriptive Analysis of Ambuja Cement During
The Year From 2015-2016 to 2019 -2020**

YEAR	CR	QR	DR	OP	GP	NP	INVTR	DTR	INTR
2015-16	0.9	0.72	0.23	23.6	14.26	13.37	8.08	19.26	8.08
2016-17	1.11	0.81	0.12	20.82	6.42	6.6	7.81	16.7	7.81
2017-18	1.32	1.02	0.11	33.61	20.28	18.46	7.59	15.32	7.52
2018-19	1.22	0.92	0.17	37.05	24.48	13.09	7.35	29.11	7.35
2019-20	1.12	0.92	0.32	27.52	18.69	13.62	6.42	25.58	6.48
Mean	1.13	0.88	0.19	28.52	16.83	13.03	7.45	21.19	7.45
SD	0.16	0.12	0.09	6.77	6.87	4.22	0.64	5.92	0.61
CV	13.77	13.14	45.73	23.73	40.84	32.41	8.17	27.95	8.17

Source: Annual Reports.

Interpretation

The table 2 shows the above data analysis it has been found that Ambuja Cement from 2015-2016 to 2019-2020. The profitability ratio is satisfactory and short term liquidity position is not satisfactory because current ratio and Quick ratio level is below one (1) in this Company. It shows that the company is promptly maintained their inventory, investment and Debtors. The coefficient of variation evaluates how the mean of two variables move together. We may infer that the coefficient of variation of Debt Ratio stood at 45.73 this shows the company for positive level of Debt rate. Coefficient of variation of from profit stood at 40.84

which also show the positive growth of gross profit during the study period 2015-2020 the coefficient of variation of Net Profit stood at 32.41 which shows the positive impact during the study period. During the study period the coefficient of variation of debtor turnover ratio of Ambuja cement stood at 27.95 which show the positive trend during the given period. The coefficient of variation of the Operating profit stood at 23.73 which indicate the company has minimal no of debt at particular years. The coefficient of variation for the Inventory Turnover Ratio and Investment Turnover Ratio stood at 8.17 which is the optimal relationship between each other. The coefficient of variation for the Current Ratio and Quick Ratio stood at 13.77 and 13.14 which are the minimal relationship and optimal growth. The coefficient of variation for the Current Ratio and Quick Ratio stood at 15.55 and 11.19 which are the minimal relation-ship and optimal growth.

PEARSON’S CORRELATION

**Table 3: Correlations of Ultra Tech Cement Limited During
The Year From 2015-2016 to 2019 -2020**

Particulars	CR	QR	DR	OP	GP	NP	INVT R	DT R	IN TR
CR	Pearson Correlation	1							
	Sig. (2-Tailed)								
	N	5							
QR	Pearson Correlation	.971*	1						
	Sig. (2-Tailed)	.006							
	N	5	5						
DR	Pearson Correlation	.103	.243	1					
	Sig. (2-Tailed)	.869	.694						
	N	5	5	5					
OP	Pearson Correlation	-.087	.066	-.211	1				
	Sig. (2-Tailed)	.889	.916	.733					
	N	5	5	5	5				
GP	Pearson Correlation	-.137	.008	-.262	.998*	1			
	Sig. (2-Tailed)	.826	.990	.670	.000				
	N	5	5	5	5	5			
NP	Pearson Correlation	.397	.188	-.776	-.244	-	1		
	Sig. (2-Tailed)	.508	.762	.123	.692	.723			
	N	5	5	5	5	5	5		
INV TR	Pearson Correlation	.424	.458	-.515	.621	.615	.353	1	
	Sig. (2-Tailed)	.477	.438	.375	.263	.269	.560		

	N	5	5	5	5	5	5	5	
DT	Pearson	-.350	-	.594	.570	.547	-	-.160	1
	Correlation		.127				.912*		
R	Sig. (2-Tailed)	.563	.838	.291	.316	.340	.031	.797	
	N	5	5	5	5	5	5	5	5
INT	Pearson	.426	.460	-.514	.619	.613	.354	1.000*	-
	Correlation							*	.162
R	Sig. (2-Tailed)	.475	.436	.376	.266	.272	.558	.000	.795
	N	5	5	5	5	5	5	5	5

** . Correlation Is Significant At The 0.01 Level (2-Tailed).

* . Correlation Is Significant At The 0.05 Level (2-Tailed).

Source: Analysis Using SPSS

Interpretation

The above table 3 shows the Pearson's correlation of Ultra Tech Cement. We may infer that Pearson's correlation of Current Ratio and Current Ratio stood at '1' which is considered to be the strongest and N is 5. The Pearson's correlation for Quick Ratio and Current Ratio is 0.971 which is strongest and correlation between the Quick Ratio and Quick Ratio is '1' which is also said to be strongest, and this shows the positive trend.

The Pearson's correlation between the Debt Equity Ratio and Current Ratio is 0.50, which is said to be the positive trend but not the strongest but the correlation of Debt Equity Ratio and the Quick Ratio is 0.99 which is strongest and even the correlation between the Debt Equity Ratio and Debt Equity Ratio is '1' which is strongest and it's in positive trend.

The Pearson's correlation of Operating Profit Ratio and Current Ratio is -0.161 which is weak, the correlation between Operating Profit Ratio and Quick Ratio is 0.443 which is also quite strong but the correlation between the Operating Profit Ratio and Debt Equity Ratio is -0.109 which is weak and it's in declining position. The correlation between the Operating Profit Ratio and Operating Profit Ratio is '1' which is strongest among the all.

The Pearson's correlation between the Gross Profit Ratio and the Current Ratio is -0.206 which is weak, the correlation between the Gross Profit Ratio and Quick Ratio is 0.391 which is moderate the correlation between the Gross Profit Ratio and Debt Equity Ratio is -0.167 which is also weaker and the difference between the Gross Profit Ratio is 0.997 which is strongest and it is in positive direction.

The Pearson's correlation between the Net Profit Ratio and the Current Ratio is 0.465 which is moderate, the correlation between the Net Profit Ratio and Quick Ratio is 0.154 which is weak the correlation between the Net Profit Ratio and the Debt Equity Ratio is -

0.819 which is most weakest, the correlation between the Net Profit Ratio and the Operating Profit Ratio is -0.249 which is also the weakest the correlation between the Net Profit Ratio and Gross Profit Ratio is - 0.218 which is also weaker. Hence the correlation between the Net Profit Ratio among the all other Ratio is declining.

The Pearson's correlation between the Inventory Turnover Ratio and Current Ratio is 0.288 which is weak; the correlation between the Inventory Turnover Ratio and Quick Ratio is 0.657 which is consistently strong. The Inventory Turnover Ratio and the Debt Equity Ratio is -0.481 which is very weak, the correlation between Inventory Turnover Ratio and the operating profit ratio is 0.631 is strong. The correlation between the Inventory Turnover Ratio and Gross Profit ratio is 0.626 consistently strong. Hence the correlation between the Inventory Turnover Ratio and the Gross Profit Ratio is 0.358 consistently strong which is strongest and correlation between the Inventory Turnover Ratio and Inventory Turnover Ratio is '1' which is said to be strongest, and this shows the positive trend.

The Pearson's correlation between Debtor Turnover Ratio and Current Ratio is -0.394 is very weak. The correlation between the Debtor Turnover Ratio and Quick Ratio is 0.057 which is consistently strong. The Debtor Turnover Ratio and the Debt Equity Ratio is 0.666 which is consistently strong, the correlation between Debtor Turnover Ratio and the Operating Profit Ratio is 0.578 which is consistently strong. The correlation between the Debtor Turnover Ratio and Gross Profit Ratio is 0.551 which is consistently strong. Hence the correlation between Debtor Turnover Ratio and the Net Profit Ratio is -0.912 which is very weak. And correlation between the Debtor Turnover Ratio and Inventory Turnover Ratio is -0.146 which is very weak, and correlation between the Debtor Turnover Ratio and Debtor Turnover Ratio is '1' which is said to be strongest, and this shows the positive trend.

The Pearson's correlation between Investment Turnover Ratio and Current Ratio is 0.288 which is consistently strong. The correlation between the Investment Turnover Ratio and Quick Ratio is 0.657 which is consistently strong. The Investment Turnover Ratio and the Debt Equity Ratio is 0.481 which is consistently strong, the correlation between Investment Turnover Ratio and the Operating Profit Ratio is 0.631 which is consistently strong. The correlation between the Investment Turnover Ratio and Gross Profit Ratio is 0.626 which is consistently strong. Hence the correlation between Investment Turnover Ratio and the Net Profit Ratio is 0.358 which is consistently strong. And correlation between the Investment Turnover Ratio and Inventory Turnover Ratio is 1 which is very strongest, correlation between the Investment Turnover Ratio and Debtor Turnover Ratio is -0.146 is very weak. Investment Turnover Ratio and Investment Turnover Ratio correlation between the '1' which is said to be strongest, and this shows the positive trend.

**Table 4: Correlations of Ambuja Cement Limited During
The Year From 2015-2016 to 2019-2020**

Particulars	CR	QR	DR	OP	GP	NP	INVTR	DT R	IN TR	
CR	Pearson Correlation	1								
	Sig. (2-tailed)									
	N	5								
QR	Pearson Correlation	.944*	1							
	Sig. (2-tailed)	.016								
	N	5	5							
DR	Pearson Correlation	-.481	-.207	1						
	Sig. (2-tailed)	.412	.738							
	N	5	5	5						
OP	Pearson Correlation	.717	.749	-.155	1					
	Sig. (2-tailed)	.173	.145	.803						
	N	5	5	5	5					
GP	Pearson Correlation	.495	.632	.184	.934*	1				
	Sig. (2-tailed)	.396	.253	.767	.020					
	N	5	5	5	5	5				
NP	Pearson Correlation	.410	.606	.071	.660	.744	1			
	Sig. (2-tailed)	.493	.278	.909	.226	.149				
	N	5	5	5	5	5	5			
IN VT R	Pearson Correlation	-.313	-.516	-.648	-.289	-	-.182	1		
	Sig. (2-tailed)	.608	.373	.237	.637	.467	.770			
	N	5	5	5	5	5	5	5		
DT R	Pearson Correlation	.024	.107	.544	.482	.615	-.006	-.595	1	
	Sig. (2-tailed)	.970	.863	.344	.410	.269	.992	.290		
	N	5	5	5	5	5	5	5	5	
INT R	Pearson Correlation	-.363	-.566	-.613	-.328	-	-.224	.998**	-	1
	Sig. (2-tailed)	.548	.320	.272	.590	.436	.718	.000	.57 5	.31 0
	N	5	5	5	5	5	5	5	5	5

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Analysis Using SPSS.

Interpretation

The above table 4 shows the Pearson's correlation of Ambuja Cement. From that table; we may infer that Pearson's correlation of Current Ratio and Current Ratio stood at '1'

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which is considered to be the strongest and N is 5. The Pearson's correlation for Quick Ratio and Current Ratio is 0.944 which is strongest and correlation between the Quick Ratio and Quick Ratio is '1' which is also said to be strongest, and this shows the positive trend.

The Pearson's correlation between the Debt Equity Ratio and Current Ratio is -0.481, which is weak. but the correlation of Debt Equity Ratio and the Quick Ratio is -0.100 which is weak and even the correlation between the Debt Equity Ratio and Debt Equity Ratio is '1' which is strongest and it's in positive trend.

The Pearson's correlation of Operating Profit Ratio and Current Ratio is -0.102 which is weak, the correlation between Operating Profit Ratio and Quick Ratio is 0.180 which is also strong but the correlation between the Operating Profit Ratio and Debt Equity Ratio is -0.142 which is weak and its in declining position. The correlation between the Operating Profit Ratio and Operating Profit Ratio is '1' which is strongest among the all.

The Pearson's correlation between the Gross Profit Ratio and the Current Ratio is 0.484 which is strong, the correlation between the Gross Profit Ratio and Quick Ratio is 0.687 which is strong the correlation between the Gross Profit Ratio and Debt Equity Ratio is 0.180 which is also strong and the difference between the Gross Profit Ratio is 0.935 which is strongest and it is in positive direction.

The Pearson's correlation between the Net Profit Ratio and the Current Ratio is 0.501 which is moderate, the correlation between the Net Profit Ratio and Quick Ratio is 0.726 which is strong the correlation between the Net Profit Ratio and the Debt Equity Ratio is 0.062 which is most strong, the correlation between the Net Profit Ratio and the Operating Profit Ratio is 0.715 which is also the strong the correlation between the Net Profit Ratio and Gross Profit Ratio is 0.790 which is also strong. Hence the correlation between the Net Profit Ratio among the all other Ratio is declining.

The Pearson's correlation between the Inventory Turnover Ratio and Current Ratio is -0.266 which is weak, the correlation between the Inventory Turnover Ratio and Quick Ratio is -0.486 which is weak. The Inventory Turnover Ratio and the Debt Equity Ratio is -0.720 which is very weak, the correlation between Inventory Turnover Ratio and the operating profit ratio is -0.306 is weak. The correlation between the Inventory Turnover Ratio and Gross Profit ratio is 0.444 consistently weak. Hence the correlation between the Inventory Turnover Ratio and the Gross Profit Ratio is -0.193 consistently strong which is weak and

correlation between the Inventory Turnover Ratio and Inventory Turnover Ratio is '1' which is said to be strongest, and this shows the positive trend.

The Pearson's correlation between Debtor Turnover Ratio and Current Ratio is -0.073 is very weak. The correlation between the Debtor Turnover Ratio and Quick Ratio is 0.087 which is consistently strong. The Debtor Turnover Ratio and the Debt Equity Ratio is 0.528 which is consistently strong, the correlation between Debtor Turnover Ratio and the Operating Profit Ratio is 0.485 which is consistently strong. The correlation between the Debtor Turnover Ratio and Gross Profit Ratio is 0.619 which is consistently strong. Hence the correlation between Debtor Turnover Ratio and the Net Profit Ratio is 0.057 which is very weak. And correlation between the Debtor Turnover Ratio and Inventory Turnover Ratio is -0.602 which is very weak, and correlation between the Debtor Turnover Ratio and Debtor Turnover Ratio is '1' which is said to be strongest, and this shows the positive trend.

The Pearson's correlation between Investment Turnover Ratio and Current Ratio is -0.266 which is consistently weak. The correlation between the Investment Turnover Ratio and Quick Ratio is -0.486 which is weak. The Investment Turnover Ratio and the Debt Equity Ratio is -0.720 which is weak, the correlation between Investment Turnover Ratio and the Operating Profit Ratio is -0.306 which is weak. The correlation between the Investment Turnover Ratio and Gross Profit Ratio is -0.444 which is weak. Hence the correlation between Investment Turnover Ratio and the Net Profit Ratio is -0.193 which is weak. And correlation between the Investment Turnover Ratio and Inventory Turnover Ratio is 1 which is very strongest, correlation between the Investment Turnover Ratio and Debtor Turnover Ratio is 1 is very strong. Investment Turnover Ratio and Investment Turnover Ratio correlation between the '1' which is said to be strongest, and this shows the positive trend.

Conclusion

Since the Real Estate Companies, housing and Building agencies wholly depend on the Cement Industry; there is a vital contribution by the Cement Industry to the Indian Economy. The Current paper analyses the financial performance of two major Cement companies via. UltraTech Cement Limited and Ambuja Cement Limited.

From the above analysis, we come to the conclusion that it has been established that the profitability ratio of two selected companies are satisfactory and the liquidity position of two selected companies viz., UltraTech Cement Limited and Ambuja Cement Limited not satisfactory because the selected companies current ratio and Quick ratio level are less than 1

and two selected companies are effectively maintained their inventory, investment and Debtors. The competence of a compact depends ahead the functioning operations of the anxiety. Profit earning is measured necessary for endurance of the industry. The Profitability ratios show the capability of the select companies. The financial positions of the selected cement companies are reasonable. However both the companies must improve their short term solvency position.

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