

## **5.a. CONCLUSIONS**

### **Analysis of the data comes to following conclusions :**

- 1) It is observed from working capital employed that there is no proper relation between the increase or decrease in current assets and current liabilities.
- 2) It is observed from the percentage wise current assets and current liabilities that the maximum portion of current assets is blocked up in sugar & sub-products.
- 3) It is observed that the quick ratio is below the standard norms through out the period of the study, which is un satisfactory.
- 4) It is observed that current ratio of the factory is unsatisfactory because deference between current assets and current liabilities are no more.
- 5) It is observed that the inventory turnover ratio always fluctuated from year to year.
- 6) It is observed that on an average the debtors are collected within 40 days, which may be treated as the best policy of the factory.
- 7) Creditors turnover ratio indicates that the factory enjoys nearly nine months credit period from its suppliers, which will be treated as the highest and best facility available to the factory.
- 8) It is observed that cash to current assets ratio always below than standard norms through out the period of study. For the period of five years, factory is running with minimum cash balances.
- 9) Pertone use of working capital is always fluctuated from year to year. There was no relation between the net working capital and total production.

- 10) It is observed that financial sources of working capital are inadequate to the factory for the period 2002 to 2006.
- 11) It is observed from the changes in current assets and current liabilities statement that there is no proper relation between the increase or decrease in current assets and current liabilities.
- 12) The factory had not paid much attention to the working capital and had not calculated on the adequate level.
- 13) The stock of sugar & sub-product is lying in the stores for more than six months. It leads to heavy investment in stock of sugar & sub-products.
- 14) It is observed that no control techniques of inventory such as EOQ, ABC Analysis, classification and codification of inventory followed by the factory.