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An Empirical Study of Working Capital Management in Selected Auto Two and Three-Wheelers Manufacturing Companies in India

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Abstract:

Working capital management is very crucial decision in business organization. Working capital plays important role for firm to meet day to day expenses. As human body fails without blood as like no one single business run without working capital. In this study working capital management has been analyzed with selected ratios like Current ratio, Working capital turnover ratio, inventory turnover ratio, receivable turnover ratio and payable turnover ratio for the time framework started from 2011-12 to 2020-21. For the selection of samples non probability judgmental technique has been used. For the study Hero, Bajaj, TVS and Atul auto two and three wheelers manufacturing firms analyzed. For the hypothesis testing One Way Anova as statistical tool has been used with 5% level of significant. The major finding indicated as the position of Hero and Atul indicated better performance or management of working capital as compare to other selected companies where the Bajaj indicated good position. The negative working capital has been identified in TVS which leads to poor performance of working capital during the study period.

Keywords: Ratio, Significant, Profitability, Performance**.**

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Introduction:

The main activity of any business organization is to earn profit. For the earning profit any business organization invests in money for long term decision and short term decision. (Anake, Ugwu, & Menyo, 2015) the long term decision has been carried out by capital budgeting and short term decision has been carried out by working capital management so there is simple meaning of working capital management is total investment in current assets (Curtis, 1981). There is two type of working capital in business organization like gross working capital and net working capital. Total investment in current assets is considered as gross working capital whereas current assets minus current liabilities are considered as net working capital. (Brigham & Houston, 2009). Working capital is considered as life blood of any organization. (Chauhan, 2010). Working capital is identified with the help of current ratio, working capital turnover ratio, inventory turnover ratio, receivable turnover ratio and payable turnover ratio. (Van & C, 1985). This study analyzes working capital management in selected auto two and three wheeler manufacturing companies. The auto two and three wheeler segment contribute wider scope for the automobile sector. The study of this sector give effective knowledge toward existing knowledge.

Literature review:

(Divakaran & Kumar, 2011) have worked on An Analysis of lean manufacturing of Indian automobile industry. Lean tools and strategy are quite popular in the manufacture of automotive components, which increases the goals for the expansion of the automotive sector. One of the world's largest markets is the automobile sector. Cars are becoming a need for everyone. India produces a lot of cars, but the country's auto industry is presently facing a significant problem: a slowdown. Analysis of the factors contributing to the automotive industry's slowdown is the main goal of this study. It examines how changes in the automobile sector are influencing consumers' purchasing decisions. the analysis of the Indian sales of several automakers.

(Altaf & Shah, 2017) have analyzed working capital management, firm performance and financial constraints: empirical evidence from India. This study's goal is to investigate the connection between working capital management and company efficiency for a sample of 437 Indian non-financial enterprises. This study also looks at how financial limitations affect the link

between working capital management practices and performance. The inverted U-shape association between working capital management and business performance is supported by the study's findings. The researchers discovered that organizations with lower ideal working levels are also more likely to be under financial stress.

(Lefebvre, 2020) Have studied on Performance, working capital management, and the liability of smallness: a question of opportunity costs? The moderating role of company size is shown in this article's investigation of the connection between working capital management and operating success. The influence of working capital management on performance is substantially correlated with size, according to our large sample of 56,221 small, medium, and big businesses from France, Germany, and Italy. We find that small enterprises' performance is more sensitive to underinvestment in net operational working capital, but not more sensitive to overinvestment. According to these results, small businesses with limited net operational working capital may incur significant opportunity costs due to lost sales. Because both are manifestations of the vulnerability of smallness, financial restrictions and poor financial management are explored as potential causes.

(Rahman & Parameshwara, 2022) Have worked on Relationship between working capital management and profitability of Indian automobile manufacturers. This article examines, for the years 2006 to 2020, the link between working capital management and profitability of Indian automobile manufacturers. Since that serves as a growth path at the moment, the research is essential for investors, rivals, legislators, and businesses. The efficiency and value of the company are therefore seen to benefit from a well-designed and managed working capital management system. Every business organization's existence, liquidity, solvency, and profitability depend on effective working capital management. Furthermore, good working capital management increases the worth of any company. Companies find it challenging to exploit their working capital as a meaningful competitive advantage for profit margins in today's extremely flexible and intricate market. The objective of this study is to measure the relationship between working capital management and profitability for four Indian automotive passenger car manufacturers that are included in the CMIE database. Regression analysis with several backwards steps is used to analyze the data and draw conclusions. Working capital components were utilized as independent variables, while the current asset turnover ratio was used as a

dependent variable. Additionally, a company's profitability is influenced by its age, size, leverage, and pace of sales growth. This article provides managers with fresh perspectives on how to boost their company's profitability through efficient working capital management as a consequence.

(Elangova & Ramasamy, 2022) Have worked on An Analytical study on ratios influencing profitability of selected Indian automotive players. The vehicle industry encompasses both the auto industry and the auto component industry. Among them are passenger wagons, light, medium, and heavy commercial vehicles, along with multi-utility vehicles like jeeps, three-wheelers, military vehicles, motorcycles, tractors, and auto-components like engine parts, batteries, drive transmission parts, electrical, suspension and chassis parts, and body and other parts. The sale, manufacturing, development, and exports of India's car industry have increased dramatically during the past several years. India's automobile industry has become one of the greatest in the world, and the growth of the auto-ancillary industry is anticipated. The results of this study indicate that each corporation has different financial factors that affect profitability. The result recommends that the company should concentrate on its cost of production, fixed asset investment, and sales turnover in order to increase profitability. The goal of management should be to maintain a tight rein on expenditure and disbursement expenses in order to increase profit over the long run.

(Aishwarya, Sudharani, & Suresh, 2022) Have worked on a study on impact of capital structure on profitability of companies listed in Indian stock exchange with respect to automobile industry. Current research makes use of factors like Return on Capital Employed, Return on Long Term Funds, Return on Net Worth, Gross Profit Margin, Operating Profit, and Return on Asset to analyze both beneficial and detrimental effects of capital structure on profits of Indian car firms. According to the study's hypothesis, RoCE, RoLT, and RoNW positively affect the debt-equity and interest coverage ratios, or capital structure, of the enterprises, whereas GP, OP, and ROA negatively affect these ratios. The study also shows that there is a high correlation between profitability and capital structure characteristics.

(Tarkom, 2022) has analyzed Impact of Covid-19 exposure on working capital management: the moderating effect of investment opportunities and government incentives. The COVID-19 pandemic's effects on working capital management (WCM) are examined in this study, which

covers 2,542 publicly listed US companies from 2019 Q1 to 2021 Q2. WCM as the cash conversion cycle (CCC), researcher discovers that enterprises exposed to COVID-19 have higher CCC levels. Researcher also demonstrates that businesses operate with lower levels of CCC than businesses with fewer investment possibilities and businesses that get government incentives (deferred taxes and investment tax credits (DT ITC)). The result of the study shows that COVID-19 has had a considerable negative impact on WCM. This impact might be lessened by expanding investment possibilities and government subsidies.

(Gabriel & Elena, 2022) have studied on the role of institutional factors in shaping working capital management policies: empirical evidence from European listed firms. In this study, working capital management for a sample of 5431 European listed companies from 2010 to 2018 is examined in relation to institutional characteristics. We present empirical data on how institutional quality influences the working capital practices of listed European companies using the weighted least squares (WLS) approach. The findings show that businesses with a better institutional foundation generally keep lower levels of working capital. The findings hold up across different company subsamples. By examining how institutional quality affects working capital management across a wide range of institutional systems unique to both established and developing countries, the study adds to the body of existing literature. The findings help professionals and decision-makers comprehend the connection between institutional quality and quick firm-level judgments.

(Nirawati, Samsudin, Yuansah, & Setiawan, 2022) have worked on Analysis of the role of working capital management in the development of company operational activities. Working capital management, in its simplistic definition, refers to the efficient management of an industry's current assets and liabilities with the goal of striking a balance between profit and risk, which can later contribute positively to the company's value through a rise in income and a reduction in risk. Working capital management impacts businesses by increasing and regulating liquidity. a situation when a corporation has to supply enough working capital to run its operating activities. Working capital companies might also show a rise or reduction in liquidity.

(Chen, Diaz, & Campos, 2022) have analyzed working capital management and performance: empirical evidence from an emergency economy. The working capital and corporate performance of Chilean manufacturing SMEs are the subjects of this study. From 2013 to 2018,

a total of six years, were spent examining the businesses. Through stratified sampling, a questionnaire was distributed to the chosen businesses. Net working capital (NWC), active accounts (AR), and profitability were found to be negatively and significantly correlated by the investigation. Payables (AP) and inventories (INV), on the other hand, have a positive correlation with profitability. The robustness examinations validated our findings. By adding more actual data pertaining to the particular topic, this study adds to the body of literature.

(Setianto & Sipayung, 2022) have worked on working capital financing and corporate profitability in the ASEAN region: the role of financial development. The article's goal is to conduct an exploratory examination into how financial development effects on working capital finance and business performance. A total of 6,183 company years were observed using data from publicly traded manufacturing companies in the five ASEAN nations of Indonesia, Malaysia, Philippines, Singapore, and Thailand from 2009 to 2018. The generalized method of moments (GMM) estimator, which consists of two phase, is used in this study's analysis. It is proven that working capital financing has an inverted U-shape influence on business profitability, showing a trade-off when using short-term debt to fund working capital needs. Additionally, it has been demonstrated by fresh research that businesses operating in more financially developed regions may use a higher proportion of short-term debt without jeopardizing their performance.

(Hamood & Almaqtari, 2022) have worked on impact of corporate governance on working capital management: an empirical investigation from India. In the present study, working capital management efficacy across Indian pharmaceutical businesses was analyzed in terms of good governance. Data for 10 years, from 2008 to 2017 were retrieved for the study and a larger proportion of 82 firms served as the basis for the empirical study. The existing study's findings showed that while the composition of the board has a small but non-significant effect on the effectiveness of working capital management, the number of directors on a board of directors negatively and significantly affects payables deferral period and receivables collection period. The current study is among the first to examine how corporate governance affects working capital management performance in India, a rising nation.

Research Gap:

Research gap is identified with old literatures. For the identification of research gap there are number of research work has been examined by researcher like **(Altaf & Shah, 2017)** have analyzed working capital management, firm performance and financial constraints: empirical evidence from India **(Rahman & Parameshwara, 2022)** have worked on Relationship between working capital management and profitability of Indian automobile manufacturers. **(Aishwarya, Sudharani, & Suresh, 2022)** have worked on A study on impact of capital structure on profitability of companies listed in Indian stock exchange with respect to automobile industry but there was not any research work found in are of working capital management in auto two-three wheeler companies so there is research gap for doing further study.

Research Methodology:

the following research methodology has been used for the identification of working capital management in auto two and three wheelers companies.

Objectives of the study:

- To know liquidity position of selected auto two and three wheeler manufacturing companies.
- To analyze working capital ratios of selected companies.
- To compare performance of working capital management among selected auto two and three wheeler manufacturing companies.

Hypotheses for the study:

H_0 = There is no significant difference in current ratios among selected auto two and three wheelers manufacturing companies.

H_0 = There is no significant difference in working capital turnover ratios among selected auto two and three wheelers manufacturing companies.

H_0 = There is no significant difference in inventory turnover ratios among selected auto two and three wheelers manufacturing companies.

H_0 = There is no significant difference in receivable turnover ratios among selected auto two and three wheelers manufacturing companies.

H_0 = There is no significant difference in payable turnover ratios among selected auto two and three wheelers manufacturing companies.

Period of the study: the period of the study has been considered form 2011-12 to 2020-21. The time framework gives meaningful understanding towards data analysis and interpretation.

Scope of the study: For the study scope has been divided into two parts like functional scope and geographical scope.

Functional Scope: Functional scope of the study indicated as selected ratios like current ratio, working capital turnover ratio, inventory turnover ratio, payable turnover ratio and receivable turnover ratios which give basic idea about working capital management.

Geographical Scope: The geographical scope of the study is considered as Indian Territory.

Selection of Samples: the selection of samples for the study are considered as Hero Motocorps, Bajaj auto, TVS and Atul auto which are selected based on net sales for the year 2021.

Table No.1

Sr. No.	Companies	Net Sales
1.	Hero Motor corps	30,801
2.	Bajaj Auto	27,742
3.	TVS Motor	16,751
4.	Atul Auto	296

(Source: www.moneycontrol.com)

Data Collection:

The nature of data for the study is considered as secondary source. The data has been collected from various websites and annual financial report of the study. The authenticity and reliability of the study is depending on source of data.

Data Analysis and Interpretation:

The following equation has been used for calculation of different selected ratio.

Current Ratio: **Table No.2** **(In Times)**

Years	HERO	Bajaj	TVS	Atul
2011-12	1.113	1.122	0.802	1.482
2012-13	1.217	1.464	0.901	1.687
2013-14	1.256	1.187	0.921	1.945
2014-15	1.360	2.128	0.904	1.761
2015-16	1.466	1.699	0.815	2.090
2016-17	1.821	2.923	0.767	2.635
2017-18	2.037	2.246	0.682	2.560
2018-19	1.965	1.449	0.781	2.112
2019-20	2.085	1.551	0.717	1.976
2020-21	1.793	2.512	0.752	1.533
Average	1.611	1.828	0.804	1.978
Minimum	1.113	1.122	0.682	1.482
Maximum	2.085	2.923	0.921	2.635

(Source: Calculated from annual financial statements)

Above table indicated current ratio of selected auto two and three wheeler manufacturing companies. The 2:1 is considered as standard ratio for manufacturing firms. For the year 2011-12 the ratio was 1.11:1 which was increased in the year 2012-13 up to 1.21:1. For the year 2013-14 the current ratio was 1.26:1 which increase in two consecutive years as 1.36:1 and 1.47:1 respectively. For the year 2016-17 to 2019-20 the ratio was indicated as 1.82:1, 2.03:1, 1.96:1 and 2.08:1 respectively. For the year 2020-21 the ratio was indicated 1.79:1 which means there was 1.79 rupee of current assets as compare to 1 rupee of current liability. On an average 1.61:1 current ratio as been identify in hero MotoCorp. For Bajaj the current ratio seems fluctuating trend during the study period. for the year 2011-12 to 2013-14 the ratio indicated as 1.12:1, 1.46:1 and 1.18:1 respectively. For the year 2014-15 the ratio indicated 2.12:1 which was indicated as the standard ratio 2:1 fulfilled by it but in the year 2015-16 the ratio decreased up to 1.69:1 but for the year 2016-17 and 2017-18 the ratio was 2.92:1 and 2.24:1 which satisfied standard ratio for both the years. For the year 2018-19 the ratio was 1.44:1 and after that it increase up to 2.51:1 in the year 2020-21. On an average 1.82:1 current ratio has been recorded.

The performance of TVS in current ratio is not satisfactory as compare to other selected companies because average current ratio of TVS was 0.80:1 which indicated company have not much current assets to meet their current liabilities. Atul Ltd. indicated current ratio in the year 2011-12 to 2014-15 as 1.48, 1.68, 1.94 and 1.76:1 respectively. In the year 2015-16 to 2018-19 the ratio indicated 2.63, 2.56 and 2.11 which satisfy the standard norms but in the year 2019-20 to 2020-21 the ratio indicated as 1.97 and 1.53 respectively.

Working Capital Turnover Ratio: Table No3 (In Times)

Years	Hero	Bajaj	TVS	Atul
2011-12	48.168	34.563	-26.702	18.641
2012-13	26.207	10.180	-56.674	12.802
2013-14	22.311	22.732	-66.106	10.407
2014-15	19.722	4.280	-47.109	12.793
2015-16	15.162	11.617	-25.854	7.934
2016-17	8.483	3.523	-18.271	5.343
2017-18	7.155	4.911	-12.598	4.811
2018-19	8.444	13.819	-20.535	6.767
2019-20	6.687	12.765	-12.906	9.417
2020-21	6.360	3.180	-14.711	7.817
Average	16.870	12.157	-30.147	9.673
Minimum	6.360	3.180	-66.106	4.811
Maximum	48.168	34.563	-12.598	18.641

(Source: Calculated from annual financial statements)

Above table indicated working capital turnover ratio for selected companies during the study period. Working capital turnover ratio indicated as one rupee of working capital efficiency to generate sales. For Hero Ltd. the ratio of working capital turnover indicated as decreasing trend during the study period. for the year 2011-12 the ratio was 48:1 which decreased in next year as

26:1. The major decrease has been identified for the year 2013-14 to 2020-21. In that time period the ratio was 22.31:1, 19.72:1, 15.16:1, 8.48:1, 7.15:1, 8.44:1, 6.68:1 and 6.36:1 have been identified. On an average working capital turnover ratio 16.87:1 has realized. The trend of Baja was fluctuating in nature for working capital turnover ratio. In the year 2011-12 the ratio was 34.56:1 which was decreased in next year up to 10.18:1. For the year 2013-14 it was increase up to 22.73:1 but in next year it was decreased up to 4.28:1 which was drastic decrease during the study period. in the year 2015-16 the ratio indicated 11.61:1 which decreased in the year 2016-17 as 3.52:1 and further it was stood at 4.91:1 in the year 2017-18. The correction was made in the year 2018-19 as working capital turnover ratio indicated as 13.81:1 and next year it was 12.76:1 identified but in the year it was decreased up to 3.18:1. TVS indicated negative working capital management during the study period. from 2011-12 to 2020-21 the ratio indicated as -26.70, -56.67, -66.10, -47.10, -25.85, -18.27, -12.59, -20.53, -12.91 and -14.71 times has been recorded with data analysis. For Atul Ltd. the working capital ratio also saw in decreasing trend as in the year 2011-12 the ratio was 18.64 then it was 12.80, 10.41, 2.79, 7.93, 5.34, 4.81, 6.76, 9.41 and 7.81 have been identified.

Inventory Turnover Ratio: **Table No.4** **(In Times)**

Years	Hero	Bajaj	Tvs	Atul
2011-12	34.900	6.270	12.190	10.200
2012-13	37.330	6.660	13.860	15.860
2013-14	37.750	7.480	14.520	18.420
2014-15	33.830	4.550	12.320	12.320
2015-16	42.500	3.120	15.950	15.950
2016-17	43.430	4.980	12.550	12.550
2017-18	39.130	5.190	15.690	15.690
2018-19	31.380	4.600	15.490	15.490
2019-20	26.410	5.440	15.810	15.810
2020-21	20.960	5.470	14.540	14.540
Average	34.762	5.376	14.292	14.683
Minimum	20.960	3.120	12.190	10.200
Maximum	43.430	7.480	15.950	18.420

(Source: Calculated from annual financial statements)

Above table indicated inventory turnover ratio for selected companies during the study period. for the year 2011-12 the ratio was 34 times which increased in next year up to 37.33 times. From

2013-14 to 2016-17 the ratio indicated as increasing trend as 37.75, 33.83, 42.5 and 43.43 times respectively but in the year 2017-18 it saw decreasing trend like 39.13, 31.38, 26.41 and 20.96 times respectively. On an average the ratio was indicated 34.76 times which means inventory has been converted into sale 34.76 times. Bajaj indicated poor performance related to inventory turnover ratio. From 2011 to 2020-21 the ratio indicated as 6.27,6.66, 7.48, 4.55, 3.12, 4.98, 5.19, 4.6, 5.44 and 5.47 times respectively. On an average the ratio convert inventory into sales as 5.37 times. For TVS the ratio indicated starting from 2011-12 to 2020-21 as 12.19, 13.86, 14.52, 12.32, 15.95, 12.55, 15.69, 15.49 and 15.81 times respectively. The company convert 14.29 times inventory into sales on an average basis. For Atul motors inventory turnover ratio indicated as increasing trend during the study period. for the year 2011-12 the ratio indicated as 10.2, 15.86, 18.42, 12.32, 15.95, 12.55, 15.69, 15.49, 15.81 and 14.54 times respectively. On an average the ratio indicted as 14.68 times which was second highest during the study period. Overall hero Ltd. indicated good performance in concern with inventory turnover ratio.

Receivable Turnover Ratio: **Table No.5** **(In Times)**

Years	Hero	Bajaj	Tvs	Atul
2011-12	86.589	46.188	30.445	49.148
2012-13	35.742	26.052	23.509	50.887
2013-14	27.456	25.307	23.829	32.910
2014-15	19.851	30.144	20.042	15.281
2015-16	22.294	31.461	19.211	6.955
2016-17	18.248	22.833	12.550	10.125
2017-18	21.202	16.868	15.688	7.141
2018-19	11.926	11.818	15.485	6.715
2019-20	17.987	17.343	15.808	8.049
2020-21	12.692	9.987	14.543	12.543
Average	27.399	23.800	19.111	19.975
Minimum	11.926	9.987	12.550	6.715
Maximum	86.589	46.188	30.445	50.887

(Source: Calculated from annual financial statements)

Above table indicated receivable turnover ratio for selected auto and three wheeler manufacturing companies. for Hero limited receivable turnover ratio for the year 2011-12 indicated 86.59 times which was decreased in the year 2012-13 is 35.74 Times. In a next year 2013-14 the ratio holes 27.46 Times and it further decreased in the year 2014-15 as 19.86 Times.

For the year 2015-16 the ratio 22.30 Times and it also further decreased in the year 2016-17 is 18.25 Times. For the year 2016-17 to 2020-21 ratio indicated fluctuating trend like 18.25, 21.2 11.9 17.9 12.69 27.40 times respectively. On an average the ratio was recorded as 27.40 times for the study period. Bajaj Ltd. Also saw fluctuating trend during the study period. From 2011-12 to 2020-21 the ratio was 46.1, 26.05, 25.30, 30.14, 31.46, 22.83, 16.86, 11.81, 17.34 and 9.9 respectively. On an average the ratio 23.80 times which means 23 time receivable has been converted into sales. For TVS the ratio indicated fluctuating decreasing trend during the study period. For the year 2011-12 the ratio was 30.44 times which decreased in next year up to 23.50 times. For the year 2013-14 to 2020-21 the ratio indicated as 23.82, 20.04, 19.21, 12.55, 15.68, 15.45, 15.80 and 14.54 times respectively. On an average 19.11 times receivable turnover ratio has been identified by research.

Payable Turnover Ratio: **Table No.6** **(In Times)**

Years	Hero	Bajaj	Tvs	Atul
2011-12	7.571	6.712	6.957	15.594
2012-13	9.269	6.832	5.970	11.927
2013-14	7.955	6.127	5.425	12.174
2014-15	6.962	7.642	5.667	13.966
2015-16	6.983	6.767	4.960	10.780
2016-17	5.843	5.942	4.636	6.749
2017-18	6.586	4.931	4.333	9.036
2018-19	6.958	5.361	4.676	8.448
2019-20	6.556	6.089	4.107	10.334
2020-21	4.203	4.003	3.189	7.199
Average	6.889	6.041	4.992	10.621
Minimum	4.203	4.003	3.189	6.749
Maximum	9.269	7.642	6.957	15.594

(Source: Calculated from annual financial statements)

Above table indicated payable turnover ratio of selected companies during the study period. Payable turnover ratio gives idea about how much creditors have been converted into purchase. For Hero Ltd. The payable turnover ratio indicated as for the year 2011-12 the ratio versus 7.57 Times after that it was increased in next year and stood up to 9.26 times. For the year 2013-14 to 2020-21 the ratio indicated as 7.95, 6.96, 6.98, 5.84, 6.58, 6.95, 6.55 and 4.20 times respectively. On an average the payable turnover ratio for Hero indicated as 6.88 times during the study

period. For Bajaj the ratio indicated minor similar to the Hero. For the year 2011-12 the ratio indicated 6.71 which increased In next year and stood at 6.83 times. From 2013-14 to 2020-21 ratio saw fluctuating trend like 6.12, 7.64, 6.76, 5.94, 4.93, 5.36, 6.08, and 4 times respectively. TVS indicated decreasing trend during the study period which started from 2011-12 to 2020-21. In that period ratio was 6.95, 5.97, 5.42, 5.66, 4.96, 4.33, 4.67, 4.10 and 3.18 times respectively. On an average the ratio indicated 4.99 times payable turnover. For Atul Ltd. The ratio indicated as decreasing trend during the study period. In the year 2011-12 the ratio was 15.59 times which decreased in next year and stood at 11.92 times. In next year it was minor increased by 1 time and reached at 12.17 times. The payable turnover ratio further indicated for the time period from 2014-15 to 2020-21 as 13.96, 10.78, 6.7, 9.03, 8.44, 10.33 and 7.19 times respectively. On an average the ratio indicated 10.62 times which was highest during the study period.

Hypothesis Testing: **Table No.7**

Sr. No.	Ratio Name	F-Value	P-Value	F critical	Result
1.	Current Ratio	16.77972	5.51E-07	2.86	H_0 Rejected
2.	Working capital turnover ratio	105.6531	6.63E-18	2.86	H_0 Rejected
3.	Inventory Turnover Ratio	105.6531	6.63E-18	2.86	H_0 Rejected
4.	Receivable Turnover Ratio	0.619875	0.606706	2.86	Fail to Reject H_0
5.	Payable Turnover Ratio	19.62738	1.04E-07	2.86	H_0 Rejected

(Source: calculated from MS Excel)

The above table indicated one way Anova for hypothesis testing. The test has been performed at 5% level of significant. The result of test has been analyzed by two method first one is table value method and second one is p-value method. Both the methods give same result as current ratio, working capital turnover ratio, inventory ratio and payable turnover ratio have significant difference in performance among selected companies but receivable turnover ratio has indicated as there is no significant difference in performance among selected companies.

Findings:

- The position of current ratio in selected companies indicated as except atul Ltd. on one has fulfill the standard r current ratio during the study period. the performance of TVS was very weak as compare to other selected companies. On an average atul Ltd. indicated 1.97:1 current ratio during the study period.
- Working capital turnover ratio indicated one of the important part of working capital management. The higher the ratio good for the company and lower ratio indicated inefficient management of working capital during the study period. Hero, Bajaj and Atul indicated positive ratios for the stud period but TVS indicated negative ratios.
- In concern with Inventory turnover ratio Hero Ltd. indicated good performance as compare to other selected companies. Bajaj indicated poor situation in inventory turnover ratio during the study period. TVS and Atul saw minor similar situation in concern with this ratio.
- Higher the receivable turnover ratio, good for the company. For selected companies performance of hero is quite batter than other selected companies. Bajaj has second batter position out of selected companies. The performance of TVS and Atul indicated minor similarity during the stud period.
- Payable turnover ratio indicated the relation with creditors and purchase. Higher ratio means more purchase and lower ratio indicated less purchase which is converted to creditors. For the study Atul Ltd. indicated 10 times payable turnover ratio which quite batter as compare to other selected companies. Hero and Bajaj indicated minor similar performance in payable turnover ratio during the study period. TVS indicated lower payable turnover ratio as compared to other selected companies.

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