OBJECTIVE

The purpose of the research is to discover answers of the following question through the application on scientific procedures. The main objective of the research is to understand the liquidity management of Groundnut Oil Mills in Saurashtra region as well the problems in liquidity management of these units. This broader objective is classified into:

I. To know the position of working capital of Groundnut Oil Mills in Saurashtra region.

II. To know the tendency of raw material of Groundnut Oil Mills in Saurashtra region.

III. To know credit tendency of Groundnut Oil Mills in Saurashtra region.

IV. To know cash tendency of Groundnut Oil Mills in Saurashtra region.

V. To know suppliers tendency of Groundnut Oil Mills in Saurashtra region.
HYPOTHESIS TESTING

Hypothesis 1

The first hypothesis of this study is as follows:

H01: There is no relationship between efficient working capital management and profitability of SSI in Saurashtra region.

H11: There is a possible positive relationship between efficient working capital management and profitability of SSI in Saurashtra region. Firms more efficient in managing their working capital is expected to pose high level of profitability and vice versa.

Hypothesis 2

The Second hypothesis of the study is as follow:

H02: There is no relationship between debt used by firms and profitability.

H12: There is a possible negative relationship between debt used by firms and profitability. Firms with high level of debt usage are expected to post low level of profitability and vice versa.

Hypothesis 3

The Third hypothesis of the study is as follow:
H03: There is no significant difference between the working capital of the sample units.

H13: There is significant difference between the working capital of the sample units.