

**A STUDY ON CASH FLOW MANAGEMENT WITH REFERENCE TO
SQUARESOFT TECHNOLOGIES**

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

HARIHARAN.M

Register No.41410113



DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE

JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119

MAY 2023



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the Bonafide work of **HARIHARAN.M 41410113** who carried out the project entitled "**A Study on Cash flow Management With Reference To SquareSoft Technologies**" under my supervision from January 2023 to March 2023.

Dr. Mathan

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TO WHOMSOEVER IT MAY CONCERN

04/04/2023

Sub: Completion of Final Year MBA project

We wish to confirm that **Mr. Hariharan M (Reg. No: 41410113)** who is pursuing final year MBA in Sathyabama Institute of Science And Technology, Chennai, has successfully completed the Finance project in our concern titled **“A STUDY ON CASH FLOW MANAGEMENT WITH REFERENCE TO SQUARESOFT TECHNOLOGIES”** from 04/01/2023 to 04/04/2023.

During the tenure with us, his conduct & behavior was observed to be good. We wish success in all the future endeavors.

For Squaresoft Technologies,


Ramesh.V

Managing Director



DECLARATION

I **HARIHARAN.M(41410113)** hereby declare that the Project Report entitled “**A Study On Cash Flow Managemnet With Reference To SquareSoft Technologies**” done by me under the guidance of **DR.N.MATHAN (Internal Guide)** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE: 05/05/2023

PLACE:Chennai

A rectangular box containing a handwritten signature in dark ink, likely of the candidate Hariharan.M.

SIGNATURE OF THE CANDIDATE:

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

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HARIHARAN. M

ABSTRACT

In a business anything done financially affects cash eventually. Cash is to a business is what blood is to a living body. A business cannot operate without its life blood cash, and without cash management, there may remain no cash to operate. Cash management in a business is two- way traffic. It keeps on moving in and out of business, the inflow and outflow of cash never coincides. Important aspect which is unique to cash management is time dimension associated with the movement of cash. Due to non- synchronicity of cash inflow and outflow, the inflow may be more than the outflow or the outflow may be more than the inflow at a particular point of time. Hence there is a dive need to control its movement through skillful cash management. The primary aim of cash management is to ensure that there should be enough cash availability when the need arises, not too much, but never too little.

The main objective of cash management is to utilize cash as efficiently as possible in a manner consistent with a company's overall strategic objectives. The study was conducted to find out the various techniques of cash management which the company has adopted. The study helped the researcher to find out the financial requirements of business which must be sufficient to meet its long-term and short- term commitments. The study helped the researcher to know the financial position of the company. The study helped the researcher to know the performance of the company which is judged by its financial statements. Profit-and-loss projection helped the researcher in projecting company's profitability. Based on the study suggestions have been given for the efficient management of cash.

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CHAPTER -1

INTRODUCTION

In a business anything done financially affects cash eventually. Cash is to a business is what blood is to a living body. A business cannot operate without its life- blood cash, and without cash management, there may remain no cash to operate. Cash movement in a business is two-way traffic. It keeps on moving in and out of business. The inflow and outflow of cash never coincides. Important aspect which is unique to cash management is time dimension associated with the movement of cash. Due to non-synchronicity of cash inflow and outflow, the inflow may be more than the outflow or the outflow may be more than the inflow at a particular point of time. This needs regulation. Left to itself cash flow is apt to follow monsoonic pattern, and showers of cash may be heavy, scanty or just normal. Hence there is a dire need to control its movement through skillful cash management. The primary aim of cash management is to ensure that there should be enough cash availability when the need arises, not too much, but never too little.

Cash management is a broad term that covers a number of functions that help individuals and businesses process receipts and payments in an organized and efficient manner. Administering cash assets today often makes use of a number of automated support services offered by banks and other financial institutions. The range of cash management services range from simple check book balancing to investing cash in bonds and other types of securities to automated software that allows easy cash collection.

Cash management is the management of the cash balances of a concern in such a manner as to maximize the availability of cash not invested in fixed assets or inventories and to avoid the risk of insolvency. According to Keynes there are three motives for holding cash: the transactions motive, the

precautionary motive, and the speculative motive. The most useful technique of cash management is the cash budget

The primary objective of cash management is to utilize cash as efficiently as possible in a manner consistent with a company's overall strategic objectives.

Major objectives of cash management include:

1. Maintaining Liquidity - Liquidity refers to a company's ability to meet upcoming obligations in a timely and cost effective manner.

2. Optimizing Cash Resources - Cash managers establish systems that reduce holdings of non-earning cash balances to minimum levels while still providing adequate liquidity. Any excess cash balances are either invested to generate additional income or used to reduce interest expense through the repayment of debt.

3. Financing - Cash managers assist in obtaining both short- and long-term borrowed funds in a timely manner and at an acceptable cost. These credit facilities are used to fund a company's cash shortages.

4. Managing Risk - Cash managers help in the monitoring and controlling of a company's exposure to interest rate, foreign exchange, and other risks.

5. Coordinating Financial Functions - Cash managers help ensure that managers in other areas of the company understand and implement policies that are consistent with cash management objectives.

Some others objectives of cash management are:

- To reduce the need to borrow and if needed, to borrow at lower interest costs.
- To minimize idle cash balances
- To maximize the return on surplus funds.
- To reduce bank charges and keep transaction costs as low as possible.

1.2 INDUSTRY PROFILE

Introduction

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. India is the leading sourcing destination across the world, accounting for approximately 55% market share of the US\$ 200-250 billion global services sourcing business in 2021-20.

The IT industry accounted for 8% of India's GDP in 2022. According to STPI (Software Technology Park of India), software exports by the IT companies connected to it, stood at Rs. 1.20 lakh crore (US\$ 16.29 billion) in the first quarter of FY22.

Market Size

The IT & business service industry's revenue was estimated at ~US\$ 6.96 billion in the first half of 2022, an increase of 6.4% YoY. The export revenue of the IT industry is estimated at US\$ 150 billion in FY21. According to Gartner estimates, IT spending in India is estimated to reach US\$ 93 billion in 2022 (7.3% YoY growth) and further increase to US\$ 98.5 billion in 2022. The BPM sector in India currently employs >1.4 million people, while IT and BPM together have >4.5 million workers, as of FY21.

India's software services exports (excluding exports through commercial presence) increased by 4% in FY21 compared with FY20 and are estimated at USD 133.7 billion during 2022-21.

Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing to invest internationally to expand global footprint and enhance their global delivery centres. In line with this, in February 2022, Tata Consultancy Services announced to recruit ~1,500 technology employees across the UK over the next year. The development would build capabilities for TCS to deliver efficiently to the UK customers. As of FY21, the IT industry employed 4.5 million people.

Investments/ Developments

Indian IT's core competencies and strengths have attracted significant investment from major countries. The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 74.12 billion between April 2000 and June 2022. The sector ranked 2nd in FDI inflows as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Japanese investments in the Indian IT sector grew 4X between 2018 and 2022. Investments stood at US\$ 9.2 billion in the review period.

Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra are diversifying their offerings and showcasing leading ideas in blockchain and artificial intelligence to clients using innovation hubs and research and development centres to create differentiated offerings.

Some of the major developments in the Indian IT and ITeS sector are as follows:

- In November 2022, Wipro partnered with TEOCO to build solutions for communication service providers (CSPs) to improve network automation, efficiency, flexibility and reliability.
- In August 2022, Tata Consultancy Services was adjudged a leader in the NelsonHall NEAT for CX Services in Banking, Financial Services and Insurance (BFSI).
- In August 2022, SAP India and Microsoft announced the introduction of TechSaksham, a collaborative skilling initiative aimed at enabling young women (from underprivileged regions) to pursue careers in technology. 62,000 women students will be trained in artificial intelligence (AI), cloud computing, web design and digital marketing as a result of this collaboration.
- In August 2022, Startek, a business process management company, announced a plan to increase its minority stake in CSS Corp to reach a wider market. It also announced a plan to recruit >2,000 employees in India, in FY22.

- In July 2022, Wipro announced plans to invest US\$ 1 billion over the next three years to expand its cloud technology capabilities through acquisitions and collaborations.
- In July 2022, Infosys announced that it has set up an Automotive Digital Technology and Innovation Centre in Stuttgart, Germany. Automotive IT infrastructure professionals stationed in Germany will transfer from Daimler AG to the new Digital Technology and Innovation Centre as part of Infosys' relationship with Daimler.
- In July 2022, TCS expanded its strategic partnership with Royal London, the largest mutual life insurance, pensions and investment company in the UK, to help the latter transform its pension platform estate and deliver market-leading services to members and customers.
- In July 2022, Tata Technologies partnered with Stratasys, a 3D printing technology company, to provide advanced additive manufacturing technologies to the Indian manufacturing ecosystem.
- In July 2022, Tech Mahindra Foundation and Wipro GE Healthcare have joined forces to offer skilling and upskilling courses to students and healthcare technicians.
- In July 2022, HCL announced a multi-year agreement with Fiskars Group, consisting of a family of lifestyle brands including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford and Wedgwood for digital transformation.
- In July 2022, TCS launched Jile 5.0, a key release of its Enterprise Agile, on-the-cloud services, planning and delivery tool that enables enterprises to meet the large-scale development needs of multiple distributed teams.

Government Initiatives

Some of the major initiatives taken by the Government to promote IT and ITeS sector in India are as follows:

- In November 2022, the government launched Internet Exchange in Uttarakhand to enhance the quality of internet services in the state.
- The Karnataka government has signed three MoUs worth US\$ 13.4 million (Rs. 100.52 crore) to help the state's emerging technology sector.
- In August 2022, the Union Minister of State for Electronics and Information Technology, Mr. Rajeev Chandrasekhar, announced that the IT export target is set at US\$ 400 billion for March 2022. In addition, the central government plans to focus in areas, such as cybersecurity, hyper-scale computing, artificial intelligence and blockchain.
- In September 2022, the Indian government announced a plan to build a cyberlab for the 'Online Capacity Building Programme on Crime Investigation, Cyber Law and Digital Forensics' to strengthen cyber security capabilities.
- In September 2022, the Ministry of Electronics and Information Technology (MeitY) organised a workshop under the theme of 'Connecting all Indians', to promote public and private stakeholders' interest in the country and expand internet access to remote areas.
- In September 2022, the Indian government launched the Meghalaya Enterprise Architecture Project (MeghEA), to boost service delivery and governance in the state by leveraging digital technologies, to make Meghalaya a high-income state by 2030.
- In September 2022, the Indian government launched Phase II of Visvesvaraya PhD Scheme to encourage research in 42 emerging technologies in Information Technology (IT), Electronics System

Design & Manufacturing (ESDM) and Information Technology Enabled Services (ITES).

- In September 2022, the Indian government inaugurated five National Institute of Electronics & Information Technology (NIELIT) Centres, in three North Eastern states to boost availability of training centres and employment opportunities.
- In August 2022, the India Internet Governance Forum (IIGF) – 2022 was launched at Electronics Niketan in New Delhi by the National Internet Exchange of India (NIXI), the Ministry of Electronics and Information Technology (MeitY) and the Chairman of the Coordination Committee of the IIGF-2022. The event will take place over three days beginning October 20, 2022. The meeting's topic this year is Inclusive Internet for Digital India.
- In Budget 2022, the government has allocated Rs. 53,108 crore (US\$ 7.31 billion) to the IT and telecom sector.
- Department of Telecom, Government of India and Ministry of Communications, Government of Japan signed a MoU to enhance cooperation in areas of 5G technologies, telecom security and submarine optical fibre cable system.

1.3 COMPANY PROFILE

Signware Technologies is a software development company based in Chennai established in 2005. We take pride in introducing ourselves as one of the top Software and website development company in Chennai and most creative and ingenious among our peers, in this industry. We provide the latest technology and most innovative solutions, allowing us to give our customers the best service possible. We believe in working with the client, rather than for the client. This gives us an opportunity to understand the exact needs of the client. We provide the most effective and performance oriented company to our customers. In a very short span of time we have been able to make a name for ourselves in our field. We primarily develop a full life cycle software development and engineering services to independent software vendors, systems companies and companies offering enterprise, cloud, web, social networking, media and mobile applications. And also develop web-sites and web based applications, our area of expertise includes Web Design & Maintenance, Flash based Websites, Web application development, 2D-3D animation, Mobile Phone application development, Domain Name Registration, Search Engine Optimization (SEO). Our key technological expertise include, but is not limited to, Database Administration(DBA), Dot Net, PHP, C#, DHTML, CSS, Flash, Photoshop, JAVA &Android.

The company develops markets, sell and support software products, web-sites and offers turnkey solutions to customers. Signware provides offshore programming services, Application Development and Integration Services, Web Design and Development Services. Our development centre focuses on timely delivery of quality and meaningful secured Solutions, at an affordable price, that foster measurable results and satisfaction to our clients.

QUALITY POLICY

Our Quality Objectives:

- To achieve 'Timely' and Zero Error delivery.
- To achieve minimum 30% of business growth every year.
- To provide customer support immediately and within 24 hours.
- To Achieve 100% Customer Satisfaction.
- To deliver minimum 90% orders on time.

SERVICES

- Software Designing & Development
- Web Development
- Social Media Marketing
- Internet Marketing
- ERP/CRM Implementation
- Recruitment

SOFTWARE DESIGNING & DEVELOPMENT:

Our software development process consists of complete Software Development Life Cycle that includes Requirement Analysis, Architecture and Design. We have experienced Project Managers who have undertaken Software development using various methodologies.

Software Application Development Services from Signware are innovative and aimed at providing new trends in the field of software designing and development. This is done in accordance with the software development standards to produce compatible software solutions.

a. Enterprise Application

We design Enterprise applications to interface or integrate with other enterprise applications used within the organization, and to be deployed across a variety of networks (Internet, Intranet and corporate networks) while meeting strict requirements for security and administration management. We understand your business, so our products work in liaison with your existing technology thus making it easier than ever to do your business.

- Customer Relationship Management (CRM)
- Enterprise Resource Planning (ERP)
- HR Management
- Enterprise Application Integration (EAI)

b. Security Application

Your business depends upon the security of your data and software. Secure Application Security provides direct access to subject matter experts who proactively manage the organizations security architecture, allowing the organizations internal teams to focus on core business requirements. Signware has developed modules especially for security of data and network. Our experts can do an analysis of your existing system and can point out loopholes in your network and can develop solutions for 24X7 secure environment, such that you can always be worry-free and focus on the more crucial issues of core business.

WEB DEVELOPMENT:

Web designing means planning, creation & updating of a website. It also involves in information architecture, user interface, colors, images, fonts as well as icons designing. The different types of tasks are like: Designing, Creating an icons, Creating banner and some other types of things are also involved in making a web pages are called designing. It is most creative and the enthusiastic work for us. As, we know that any common people cannot design a website pages because it is the work of a high professional people or you can say web development company purposes. It is 100 per cent sure that any types of website are not similar to the other website designing or having article data or other types of data.

a. Web Application

We can program your ideas from simplest web applications to all-encompassing custom business solutions, our experts can solve your problems in the most simple and cost-effective manner. The iBusiness application is a customized ERP tool for various levels of management for corporate. Our expertise over multiple platforms, programming tools has helped us establish ourselves as an all-round web application company.

b. Open Source Solutions

Cost-Effective, simple and fast! Alternative to commercial software, Open-Source solutions are cost-effective and a good developer can develop some very good application using them. Our talented team of developers knows open-source software to their core and can develop excellent products that are reliable, secure and work in most efficient manners.

Our open-source expertise include, but are not limited to: PHP, MySQL, JAVA, Objective C, among others.

SOCIAL MEDIA MARKETING

The Social Media universe expands exponentially and keeping track of its varied nuances requires an in-depth understanding of the logic that drives diverse social media platforms. Take, for instance, the inherent difference between the tonalities of LinkedIn and Facebook. They are two opposite ends of the spectrum and it would be totally disastrous to adopt the tone of one onto the other.

INTERNET MARKETING

a. Search Engine Optimization:

Four out of every five web-site visit starts with a search engine query. Unpaid or organic search results, can also improve the web traffic. Our experts understand how search engines work. We provide total makeover to your website, by optimizing it for maximum hits. The page rank of your website improves automatically and thus improves productivity of your website drastically.

b. Social Media Optimization:

Social media marketing improves the value and recognition of a brand by spreading it over social media website. Corporate messages can be easily shared and spread to hundreds of users via social media. We create Social Media marketing programs for almost every major Social Media website, Twitter, Facebook, LinkedIn, Youtube, Instagram, Blogger etc. We do detailed analysis of trends and, develop ways to improve brand recognition and value on these platforms. **Nothing is better than word of mouth advertisement.**

ERP/CRM IMPLEMENTATION

Successful implementation of any business system demands the adoption of a well- planned and methodological approach. Our professional consultants provide the services needed to manage and integrate your new business

systems into the day-to- day operations of your company.

While every enterprise has knowledge of its resources and customer base, very few companies have consolidated a comprehensive enough database of information to achieve a complete view of its business processes. Optimization of this information - channeling, defining, analyzing and using it is the key to achieving organizational efficiency.

RECRUITMENT

Within our diversity of coverage, Signware looks to deliver a tailored and specialized approach to provide a service based upon expertise and market intelligence. Our teams of Consultants are market leaders within their market verticals. First time in India, an organization has stepped up to provide the “Training in Recruitment skills” to college students. Researchers conducted across India have confirmed that majority (60%) of the jobs available in HR field are basically in recruitment. With the phenomenal growth of IT and Telecom sectors in the last decade, there is a big need for the employable MBA HR students in the recruitment arena.

During this training, students are empowered with the world class manpower staffing processes and the industry endorsed techniques. In addition, the secrets of core recruitment practices are also shared to the young budding HR students. Students are given a practical chance to do the real time recruitment. State of the art classroom provides extra support to the practice sessions.

OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVES

To study the Cash flow Management at Squaresoft Technologies .

SECONDARY OBJECTIVES

- ☐ To study in general the organization of Cash Management at SquaresoftTechnologies.
- ☐ To compare the financial position of various years of the company.
- ☐ To study the comparative measurement of financial data by using the method ofratio analysis.
- ☐ To ascertain the future financial requirement of the company.
- ☐ To analysis and give suggestion for improving cash management process.

SCOPE OF THE STUDY

- The study was conducted to find out the various techniques of cash management which the company has adopted.
- The study helped the researcher to find out the financial requirements of business which must be sufficient to meet its long-term and short-term commitments.
- The study helped the researcher to know the financial position of the company.
- The study helped the researcher to know the performance of the company which is judged by its financial statements.
- Profit-and-loss projection helped the researcher in projecting company's profitability.
- Based on the study suggestions have been given for the efficient management of cash.

LIMITATION OF STUDY

- Cash flow statements are based on historical information and therefore do not provide complete information for assessing future cash flows.
- There is some scope for manipulation of cash flows. For example, a business may delay paying suppliers until after the year-end, or it may structure transactions so that the cash balance is favorably affected. It can be argued that cash management is an important aspect of stewardship and therefore desirable. However, more deliberate manipulation is possible.
- Cash flow is necessary for survival in the short term, but in order to survive in the long term a business must be profitable. It is often necessary to sacrifice cash flow in the short term in order to generate profits in the long term. A huge cash balance is not a sign of good management if the cash could be invested elsewhere to generate profit.
- Cash flow does not provide a complete picture of a company's performance when looked at in isolation.

CHAPTER -3

REVIEW OF LITERATURE

CASH MANAGEMENT

Cash is money that is easily accessible either in the bank or in the business. It is not inventory, it is not accounts receivable, and it is not property. These might be converted to cash at some point in time, but it takes cash on hand or in the bank to pay suppliers, to pay the rent, and to meet the payroll. Profit growth does not always mean more cash.

Profit is the amount of money you expect to make if all customers paid on time and if your expenses were spread out evenly over the time period being measured. However, it is not your day-to-day reality. Cash is what you must have to keep the doors of your business open. Over time, a company's profits are of little value if they are not accompanied by positive net cash flow. You can't spend profit; you can only spend cash.

Cash Flow refers to the flow of cash into and out of a business over a period of time. The outflow of cash is measured by the money you pay every month to salaries, suppliers, and creditors. The inflows are the cash you receive from customers, lenders, and investors.

Positive cash flow

If the cash coming into the business is more than the cash going out of the business, the company has a positive cash flow. A positive cash flow is very good and the only concern here is managing the excess cash prudently.

Negative cash flow

If the cash going out of the business is more than the cash coming into the business, the company has a negative cash flow. A negative cash flow can be caused by a number of problems that result in a shortage of cash, such as too much or obsolete inventory, or poor collections on accounts receivable. If the company doesn't have money in the bank or can't borrow additional cash at this point, it may be in serious trouble.

A Cash Flow Statement is typically divided into three components so that you can see and understand both the internal and external sources and uses of cash.

Operating cash flow (internal)

Operating cash flow, often referred to as working capital, is the cash flow generated from internal operations. It is the cash generated from sales of the product or service of your business. Because it is generated internally, it is under your control.

Investing cash flow (internal)

Investing cash flow is generated internally from non-operating activities. This component would include investments in plant and equipment or other fixed assets, nonrecurring gains or losses, or other sources and uses of cash outside of normal operations.

Financing cash flow (external)

Financing cash flow is the cash to and from external sources, such as lenders, investors and shareholders. A new loan, the repayment of a loan, the issuance of stock and the payment of dividend are some of the activities that would be included in this section of the cash flow statement.

Cash management

Cash management is a financial management technique used by corporate treasurers to accelerate the collection of receivables, control payments to trade creditors, and efficiently manage cash. Large corporations collect funds from many different accounts into a single concentration account, and invest excess funds in the money market. The local accounts are frequently drawn down to zero-funds every day. In disbursing payments to trade creditors, treasurers attempt to control the outflow of funds by timing payments with the receipt of invoices from trade creditors. A frequently used tool in cash management is controlled disbursement of corporate payments to match the collection of accounts receivables against disbursements to trading partners.

Managing cash is an integral part of a company's overall operations. Cash is required to sustain the operating cycle, and cash managers ensure that a company's operating cycle is adequately financed. Therefore, the objectives of cash management are closely related to the management of the operating Cycle.

Cash management services generally offered

The following is a list of services generally offered by banks and utilized by larger businesses and corporations:

- **Account reconciliation services:** Balancing a checkbook can be a difficult process for a very large business, since it issues so many checks it can take a lot of human monitoring to understand which checks have not cleared and therefore what the company's true balance is. To address this, banks have developed a system which allows companies to upload a list of all the checks that they issue on a daily basis, so that at the end of the month the bank statement will show not only which checks have cleared, but also which have not. More recently, banks have used this system to prevent checks from

being fraudulently cashed if they are not on the list,

- **Advanced web services:** Most banks have an Internet-based system which is more advanced than the one available to consumers. This enables managers to create and authorize special internal logon credentials, allowing employees to send wires and access other cash management features normally not found on the consumer web site.
- **Armored car services (cash collection services):** Large retailers who collect a great deal of cash may have the bank pick this cash up via an armored car company, instead of asking its employees to deposit the cash.
- **Automated clearing house:** services are usually offered by the cash management division of a bank. The Automated Clearing House is an electronic system used to transfer funds between banks. Companies use this to pay others, especially employees (this is how direct deposit works). Certain companies also use it to collect funds from customers (this is generally how automatic payment plans work). This system is criticized by some consumer advocacy groups; because under this system banks assume that the company initiating the debit is correct until proven otherwise.
- **Balance reporting services:** Corporate clients who actively manage their cash balances usually subscribe to secure web-based reporting of their account and transaction information at their lead bank. These sophisticated compilations of banking activity may include balances in foreign currencies, as well as those at other banks. They include information on cash positions as well as 'float' (e.g., checks in the process of collection). Finally, they offer transaction-specific details on all forms of payment activity, including deposits, checks, and wire transfers in and out, ACH (automated clearinghouse debits and credits), investments, etc.
- **Cash concentration services:** Large or national chain retailers often are

in areas where their primary bank does not have branches. Therefore, they open bank accounts at various local banks in the area. To prevent funds in these accounts from being idle and not earning sufficient interest, many of these companies have an agreement set with their primary bank, whereby their primary bank uses the Automated Clearing House to electronically "pull" the money from these banks into a single interest-bearing bank account.

box for them, open their mail, and deposit any checks found. This is referred to as a "lockbox" service.

- **Lockbox - wholesale: services:** are for companies with small numbers of payments, sometimes with detailed requirements for processing. This might be a company like a dentist's office or small manufacturing company.
- **Positive pay:** Positive pay is a service whereby the company electronically shares its check register of all written checks with the bank. The bank therefore will only pay checks listed in that register, with exactly the same specifications as listed in the register (amount, payee, serial number, etc.). This system dramatically reduces check fraud.
- **Reverse positive pay:** Reverse positive pay is similar to positive pay, but the process is reversed, with the company, not the bank, maintaining the list of checks issued. When checks are presented for payment and clear through the Federal Reserve System, the Federal Reserve prepares a file of the checks' account numbers, serial numbers, and dollar amounts and sends the file to the bank. In reverse positive pay, the bank sends that file to the company, where the company compares the information to its internal records.

The company lets the bank know which checks match its internal information, and the bank pays those items. The bank then researches the checks that do not match, corrects any misreads or encoding errors, and determines if any items are fraudulent. The bank pays only "true" exceptions, that is, those that can be reconciled with the company's files.

- **Sweep accounts:** are typically offered by the cash management division of a bank. Under this system, excess funds from a company's bank accounts are automatically moved into a money market mutual fund overnight, and then moved back the next morning. This allows them to earn interest overnight. This is the primary use of money market mutual funds.

- **Zero Balance Accounting:** can be thought of as somewhat of a *hack*. Companies with large numbers of stores or locations can very often be confused if all those stores are depositing into a single bank account. Traditionally, it would be impossible to know which deposits were from which stores without seeking to view images of those deposits. To help correct this problem, banks developed a system where each store is given their own bank account, but all the money deposited into the individual store accounts are automatically moved or swept into the company's main bank account. This allows the company to look at individual statements for each store. U.S. banks are almost all converting their systems so that companies **can** tell which store made a particular deposit, even if these deposits are all deposited into a single account. Therefore, zero balance accounting is being used less frequently.

- **Wire Transfer:** A wire transfer is an electronic transfer of funds. Wire transfers can be done by a simple bank account transfer, or by a transfer of cash at a cash office. Bank wire transfers are often the most expedient method for transferring funds between bank accounts. A bank wire transfer is a message to the receiving bank requesting them to effect payment in accordance with the instructions given. The message also includes settlement instructions. The actual wire transfer itself is virtually instantaneous, requiring no longer for transmission than a telephone call.

- **Controlled Disbursement:** This is another product offered by banks under Cash Management Services. The bank provides a daily report, typically

early in the day, that provides the amount of disbursements that will be charged to the customer's account. This early knowledge of daily funds requirement allows the customer to invest any surplus in intraday investment opportunities, typically money market investments. This is different from delayed disbursements, where payments are issued through a remote branch of a bank and customer is able to delay the payment due to increased float time.

Cash management features and functions

Cash management involves the capability of the system to record cash charges or deposits, recording of cash payments and receipts, cash projection reporting, calculation of expected cash uses/sources, current cash availability, etc. It monitors and analyzes cash holdings, financial deals, and investment risks. The following are the various features of cash management:

- ☐ Up-to-date cash balance report.
- ☐ Projects cash resources from sales, A/R, field services, and miscellaneous cash.
- ☐ Projects cash utilization from purchasing, A/P, and miscellaneous cash.
- ☐ Checks committed funds against cash reserves or availability.
- ☐ Updates and maintains pay date schedule.
- ☐ Reports cash projections.
- ☐ Entity, bank, expected date, terms, and customer payment history are used to create cash projections.
- ☐ Cash projects by currency.
- ☐ Views of inflows and outflows from cash book by bank, year, or statement.
- ☐ Records cash payments and receipts via electronic banking functions.
- ☐ Notifies and reports on statement discrepancies.
- ☐ "Miscellaneous" category for charges and deposits.
- ☐ Processes cancelled A/P checks.
- ☐ Records journal entries to the G/L cash accounts.
- ☐ Prints account statements.
- ☐ Automatically records bank cash receipts.

According to many industry experts the basic reason why many successful companies have collapsed is due to improper cash management. Having surplus cash in the current accounts are considered as a sign of efficiency of the companies but sitting on such large cash bank balance can turn out to be a disaster if not handled properly.

Sarah Fitz Patrick (2008) stated “cash flow planning is basically defined as anticipating the flow of cash into and out of an events budget. This enables to find expenditure such as marketing collateral and registrations in line with event timetable”. Managing the cash flow is vital to the success of any event and is an important way of foreseeing any event problems or possible cash shortages.

The Finance Editor Jill Andresky Fraser’s classic article on the topic “ the art of cash management” dive into forecasting your business- cash needs and learning how to handle a cash crisis assembled here are practical pieces of advice, tips and tricks from CEOs, and tools that you can use to get a handle on business Cash.

Michael F. Barnes in his book called cash management stated that Cash management should be considered as a profit center rather than a cost center, according to the author.

He admits that this view is controversial among professional cash managers and can lead to excesses when expectations become unrealistic.

Pindado (2001) argues that basic cash management refers to that part of the working capital that makes up the optimal level needed by a company treasury. However, if the profit opportunities available in the process of cash flow creation are to be maximized, this scope must be broadened to take in more operational decisions, since optimum cash levels are influenced by other factors outside the restrictive concept of "treasury". Linking these concepts with the concepts of monetary theory reveals that the initial

reasons for cash management were transaction and precaution, and those reasons were then joined by speculation, taking it closer to the overall concept of treasury management in the broad sense of the term.

According to **John Duffield** there are seven important steps to include in a cash management function audit/review they are as follows:

1. Decide which areas of cash management needs reviewing.
2. Identifying the business units or countries to be reviewed.
3. Be vocal in your support of the review.
4. Gather all the relevant existing information including:
 - Audit reports.
 - Bank statements and analyses.
 - Procedure/policy manuals.
 - Cash flow projections.
 - Receivables/payables reports.
 - Budgets/business projections.
 - Borrowing/investment data.
5. Involve line management and staff.
6. Consider the commercial environment.
7. Make comparisons with similar businesses.
8. Produce a procedures manual.

CHAPTER-4

RESEARCH METHODOLOGY

Meaning of research

The term research is derived from the French word *research*- meaning search back. Research is careful critical inquiry or examination in seeking for principle diligent investigation in order to ascertain something. Generally research is a process of a systematic and in depth study of a particular topic.

Definition of research

According to **Clifford Woody** research is defined as comprises defining and refined problems formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, making detections and researching conclusion and at last carefully testing the conclusion to determine when they fit the formulating hypothesis.

Meaning of research methodology

Research Methodology is a way to systematically solve the research problem it may be understood as a science of study how research is done scientifically.

Research methods may be understood as all those methods or techniques that are used for conduction of researchers use in performing research operations.

Research methodology is the systematic gathering and analyzing of data about problems, formulating hypothesis and suggested solutions collecting, organizing and evaluating data, making deduction and reaching conclusion and carefully testing the conclusion to determine whether they fit the formulating hypothesis.

RESEARCH DESIGN

Choosing a design for the study is crucial step because, if a wrong decision is made the whole study may be criticized on the grounds of an appropriate design are even worse as been unscientific or illogical. It is descriptive in nature. It is difficult to generalize about research design because of wide variety of types of research. Basically however, research studies fall into broad categories empirical and analytical, empirical or experimental studies are conducted mainly in the quantitative type (science) subjects, whereas analytical or literary studies are generally conducted in the qualitative (arts) subject.

Analytical Research

In analytical research, the researcher has to use facts or information already available, and analyze these to make a critical evaluation of the material.

SAMPLING AND TECHNIQUES

SOURCE OF DATA

Primary data and secondary data were collected for the study.

Primary data

The primary data are those which are collected freshly for the first time and original. We collect data through direct communication with respondents through interviews.

Secondary data

Secondary data means data that are already available. The researcher use and must take in account, has already been discovered by others, when an investigator use such data are called as secondary data. So this source is used for collecting the historical data.

TOOLS OF ANALYSIS

STATISTICAL TOOLS USED

The researchers have adopted the following tools:-

- I. Ratio analysis
- II. Regression
- III. Cash flow statement
- IV. Comparative balance sheet
- V. Least square method

Ratio analysis

Ratio analysis is a widely used tool of financial analysis. It is defined as the systematic use of ratio to interpret the financial statements so that the strength and weaknesses of a firm as well as its historical performance and current financial condition can be determined. The term ratio refers to the numerical or quantitative relationship between two variables.

Cash flow statement

Summary of the actual or anticipated incomings and outgoings of cash

in a firm over an accounting period (month, quarter, year). It answers the questions Where the money came (will come) from? And where it went (will go)? Cash flow statements assess the amount, timing, and predictability of cash-inflows and cash- outflows, and are used as the basis for budgeting and business-planning.

Comparative balance sheet

Statement on which balance sheets, income statements, or statements of changes in financial position are assembled side by side for review purposes. Changes that have occurred in individual categories from year to year and over the years are easily noted. The key factor revealed is the trend in an account or financial statement

category over time. A comparison of financial statements over two to three years can be undertaken by computing the year-to-year change in absolute dollars and in terms of percentage change.

Least square method

Least squares method is a common way to measure errors in statistical analysis. The least squares formula is best known for favoring things with a lot of small errors over those with a few large errors. Least squares method keeps track of all errors, even if some are in one direction and some are in the other direction.

CHAPTER -5

DATA ANALYSIS AND INTERPRETATION

RATIO ANALYSIS

$$1. \text{ CURRENT RATIO} = \frac{\text{CURRENT ASSEST}}{\text{CURRENT LIABILITES}}$$

LIQUID RATIO (OR) QUICK

$$2. \text{RATIO} \\ \text{LIQUID RATIO} = \frac{\text{}}{\text{CURRENT LIABILITES}}$$

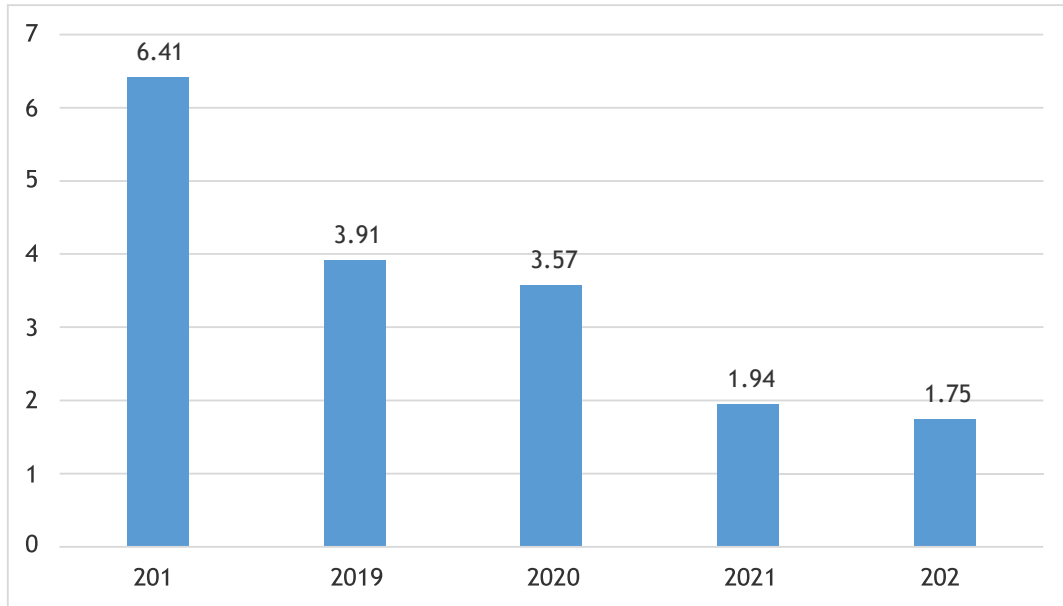
$$3. \text{ CASH POSITION RATIO} = \frac{\text{CASH \& BANK BALANCE +} \\ \text{MARKETABLE SECURITIES}}{\text{CURRENT LIABILITES}}$$

$$4. \text{NET PROFIT RATIO} = \frac{\text{NET PROFIT AFTER TAX}}{\text{NET SALES}} \times 100$$

$$5. \text{FIXED ASSET TURNOVER RATIO} = \frac{\text{COST OF GOODS SOLD}}{\text{NET FIXED ASSET}} \times \text{SALES}$$

$$(\text{or}) = \frac{\text{NET SALES}}{\text{NET FIXED ASSET}}$$

CHART SHOWING 5.1
CURRENT RATIO



INTERPRETATION

Table- 1 clearly indicates that there is a decreasing trend in the current ratio level. In the year 2018 the ratio was 6.41 and it decreased to 1.75 by the year 2022, a decrease of 4.66 over five years. The main reason is due to sharp increase in the current liabilities over the 5 years period but the current asset remained at the same level.

INFERENCE

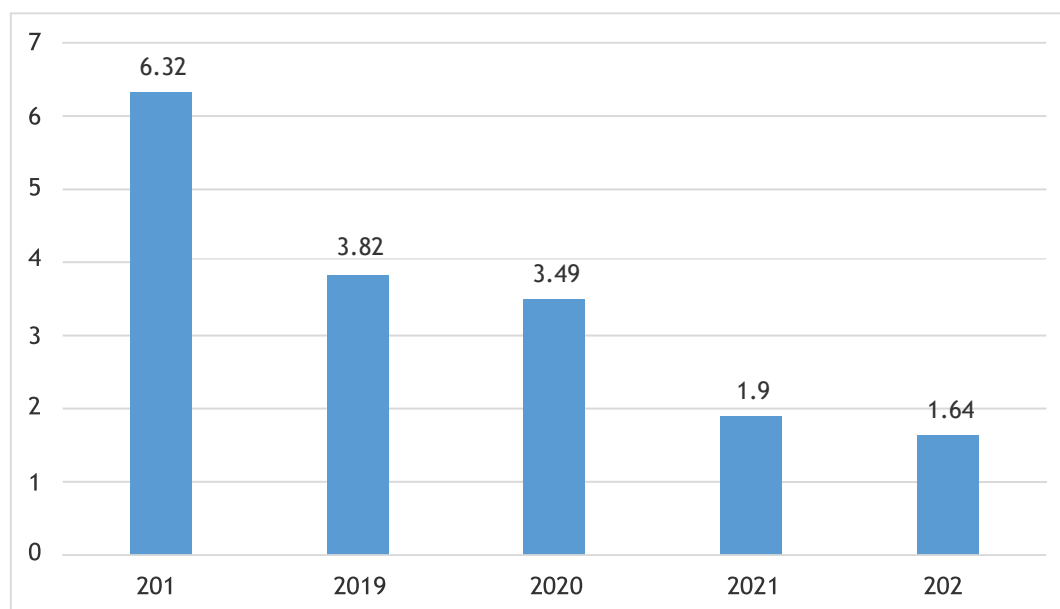
From the above table of evident that 6.41% ratio of the respondent is 2018

TABLE SHOWING 5.2
LIQUID RATIO

YEAR	LIQUID ASSET	CURRENT LIABILITIES	RATIO
2018	739,812.00	117,055.00	6.32
2019	651,457.00	170,673.00	3.82
2020	674,313.00	192,676.00	3.49
2021	493,535.00	259,706.00	1.90
2022	562,700.00	342,900.00	1.64

SOURCE: SECONDARY DATA

CHART SHOWING 5.2
LIQUID RATIO



INTERPRETATION

Table- 2 clearly indicates that there is a decreasing trend in the liquid ratio level. In the year 2018 the ratio was 6.32 and it decreased to 1.64 by the year 2022, a decrease of 4.68 over five years. The main reason is due to sharp increase in the current liabilities over the 5 years period but the liquid asset remained at the same level.

INFERENCE

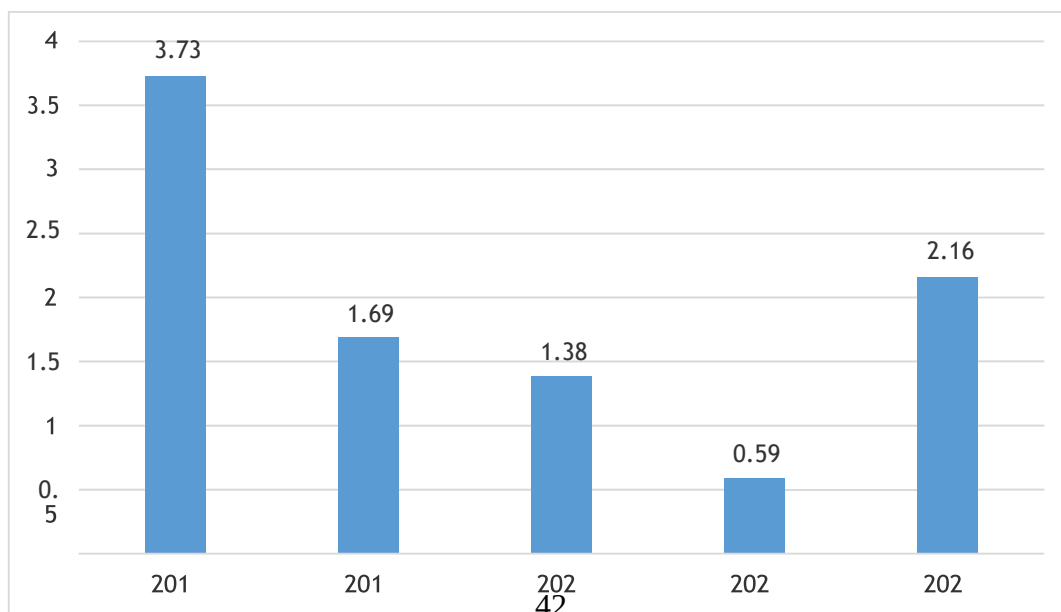
From the above table of evident that 6.32% ratio of the respondent is 2018 year.

**TABLE SHOWING 5.3
CASH POSITION RATIO**

YEAR	CASH IN HAND/AT BANK	CURRENT LIABILITIES	RATIO
2018	436,64 1	117,055	3.73
2019	288,51 6	170,673	1.69
2020	267,22 7	192,676	1.38
2021	155,31 4	259,706	0.59
2022	741,00 0	342,900	2.16

SOURCE: SECONDARY DATA

**CHART SHOWING 5.3
CASH POSITION RATIO**



INTERPRETATION

Table- 3 clearly indicates that there is a decreasing trend in the cash position ratio level. In the year 2018 the ratio was 3.73 and it decreased to 2.16 by the year 2022, a decrease of 1.57 over five years. The main reason is due to sharp increase in the current liabilities over the 5 years period but the cash in hand at bank remained at the same level.

INFERENCE

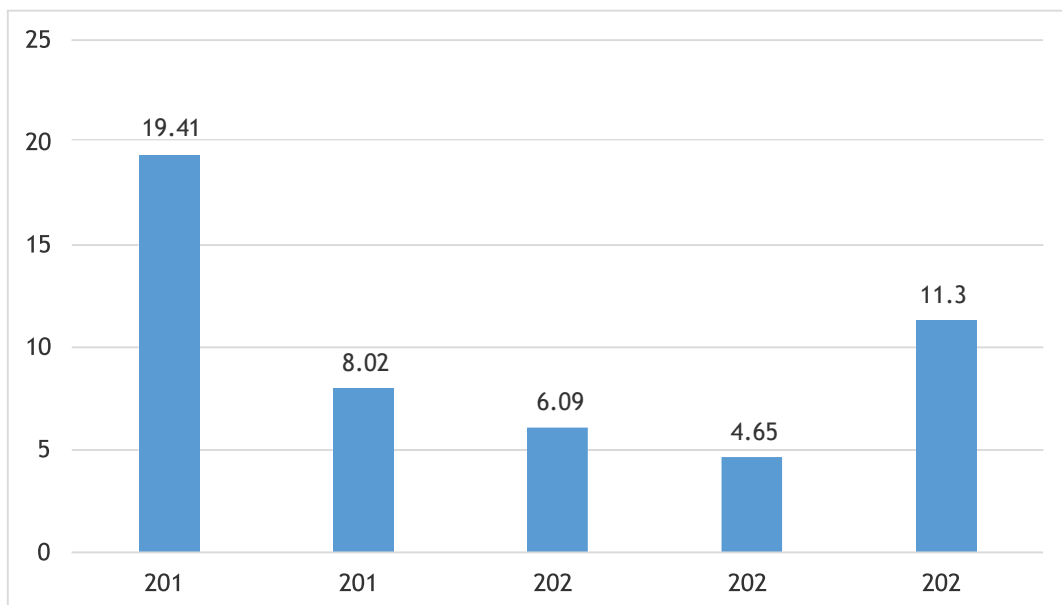
From the above table of evident that 3.73% ratio of the respondent is 2018 year.

TABLE SHOWING 5.4
NET PROFIT RATIO

YEAR	NET PROFIT	NET SALES	RATIO
2018	1,96,330	10,11,471	19.41
2019	97,350	12,12,725	8.02
2020	1,01,047	14,54,656	6.09
2021	75,633	16,26,453	4.65
2022	1,47,200	12,97,600	11.34

SOURCE: SECONDARY DATA

CHART SHOWING 5.4
NET PROFIT RATIO



INTERPRETATION

Table- 4 clearly indicates that there is a decreasing trend in the net profit ratio level. In the year 2018 the ratio was 19.41% and it decreased to 11.34% by the year 2022, a decrease of 8.7% over five years. The net sales have been increased sharply but the reason for decrease in net profit is due to the increase in credit sales, increase in debt.

INFERENCE

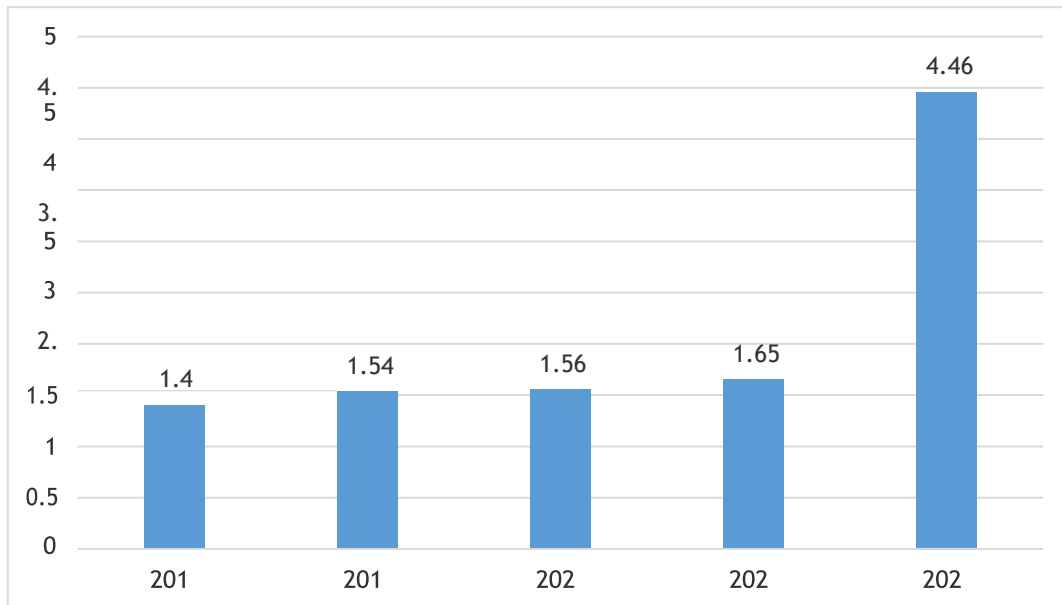
From the above table of evident that 11.34% ratio of net sales respondent is 2022 year.

TABLE SHOWING 5.5
FIXED ASSETS TURNOVER RATIO

YEAR	NET SALES	NET FIXED ASSET	RATIO
2018	10,11,471	7,19,681	1.40
2019	12,12,725	7,87,217	1.54
2020	14,54,656	9,30,047	1.56
2021	16,26,453	9,82,762	1.65
2022	12,97,600	2,90,600	4.46

SOURCE: SECONDARY DATA

CHART SHOWING 5.5
FIXED ASSETS TURNOVER RATIO



INTERPRETATION

Table- 5 clearly indicates that there is a decreasing trend in the fixed asset turnover ratio level. In the year 2018 the ratio was 1.40 and it decreased to 4.46 by the year 2022, a 0.31 decrease of 0.44 over five years. The net fixed asset has been increased sharply from the year 2018 to 2022.

INFERENCE

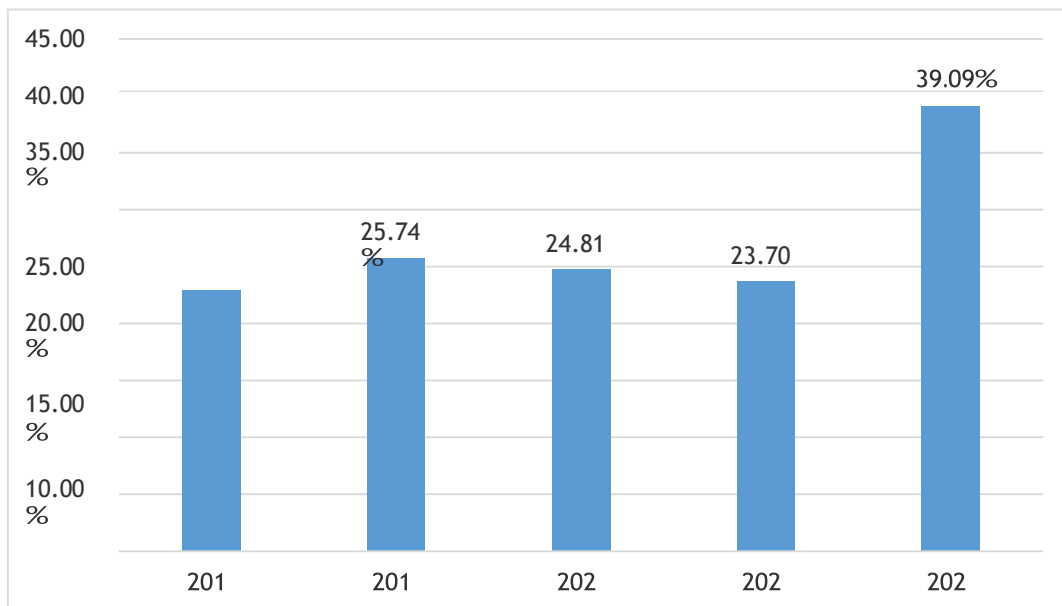
From the above table of evident that 1.65% ratio net fixed asset of the respondent is 2021 year.

TABLE SHOWING 5.6
ADMINISTRATIVE EXPENSES RATIO

YEAR	ADMINISTRATIVE EXPENSES	NET SALES	RATIO
2018	2,32,147	10,11,471	22.95%
2019	3,12,262	12,12,725	25.74%
2020	3,60,949	14,54,656	24.81%
2021	3,85,563	16,26,453	23.70%
2022	5,07,300	12,97,600	39.09%

SOURCE: SECONDARY DATA

CHART SHOWING 5.6
ADMINISTRATIVE EXPENSES RATIO



INTERPRETATION

Table- 6 clearly indicates that there is an increasing trend in the administrative expenses ratio level. In the year 2018 the ratio was 12.95% and it decreased to 39.09% by the year 2022, an increase of 16.14% over five years.

INFERENCE

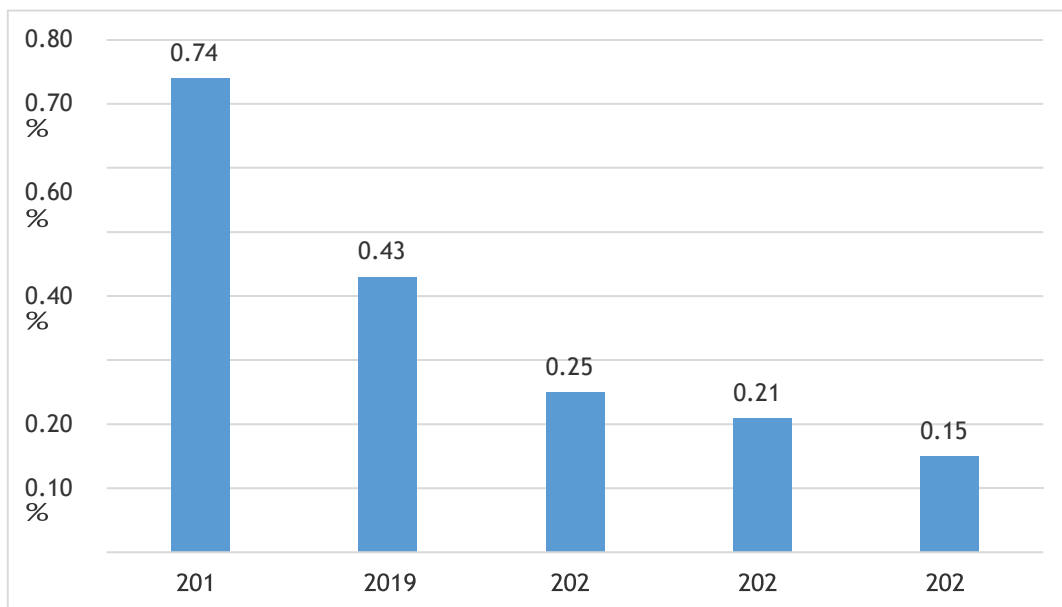
From the above table of evident that 23.70% ratio of the net sales respondentis 2021 year.

TABLE SHOWING 5.7
SELLING EXPENSES RATIO

YEAR	SELLING EXPENSES	NET SALES	RATIO
2018	7,497	10,11,471	0.74%
2019	5,242	12,12,725	0.43%
2020	3,770	14,54,656	0.25%
2021	3,428	16,26,453	0.21%
2022	2,000	12,97,600	0.15%

SOURCE: SECONDARY DATA

CHART SHOWING 5.7
SELLING EXPENSES RATIO



INTERPRETATION

Table- 7 clearly indicates that there is a decreasing trend in the selling expenses ratio level. In the year 2018 the ratio was 0.74% and it decreased to 0.15% by the year 2022, a decrease of 0.59% over five years.

INFERENCE

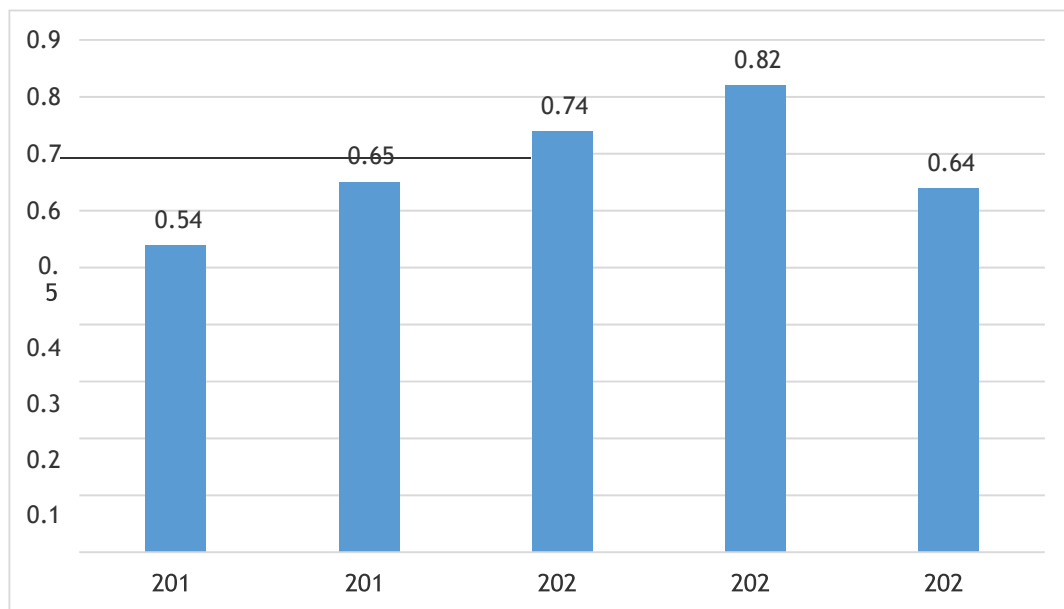
From the above table of evident that 0.21% ratio of the net sales respondent is 2021 year.

TABLE SHOWING 5.8
CAPITAL TURNOVER RATIO

YEAR	NET SALES	CAPITAL EMPLOYED	RATIO
2018	10,11,471	18,41,196	0.54
2019	12,12,725	18,38,122	0.65
2020	14,54,656	19,43,960	0.74
2021	16,26,453	19,76,235	0.82
2022	12,97,600	20,08,510	0.64

SOURCE: SECONDARY DATA

CHART SHOWING 5.8
CAPITAL TURNOVER RATIO



INTERPRETATION

Table- 8 clearly indicates that there is a decreasing trend in the capital turnover ratio level. In the year 2018 the ratio was 0.54 and it increased to 0.64 by the year 2022. The capital employed has decreased sharply from the 2018 to 2022 and the ratio remained in same level.

INFERENCE

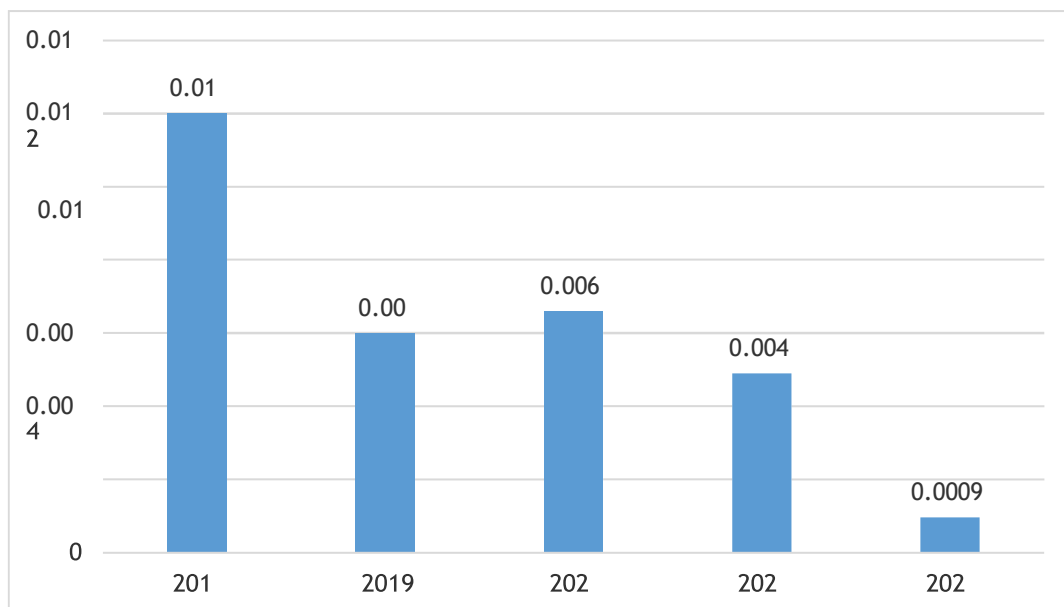
From the above table of evident that 0.64% ratio of the respondent is 2022 year.

**TABLE SHOWING 5.9
EARNINGS PER SHARE RATIO**

YEAR	NET PROFIT AFTER TAX	NO. OF EQUITY SHARE	RATIO
2018	1,96,330	15,23,8,326	0.012
2019	97,350	1,52,38,326	0.006
2020	1,01,047	1,52,38,326	0.0066
2021	75,633	1,52,38,326	0.0049
2022	1,47,200	1,52,38,326	0.00096

SOURCE: SECONDARY DATA

**CHARTSHOWING 5.9
EARNINGS PER SHARE RATIO**



INTERPRETATION

Table- 9 clearly indicates that there is an increasing trend in the equity per share ratio level. In the year 2018 the ratio was 0.006 and it increased to 0.00096 by the year 2022. The main reason is due to the increase in number of equity shares from the year 2018-2022. The net profit after tax has gradually decreased from the year 2018 to 2022.

INFERENCE

From the ratio is the same level of equal to five year data ratio analysis.

STANDARD DEVIATION

TABLE 5.10 STANDARD DEVIATION 2017 TO 2018

X	(X-MEAN)	(X-MEAN)^2
1, 09, 514	28, 649.50	82, 07, 93, 850.30
1, 39, 040	58, 175.50	3, 38, 43, 88, 800
1, 07, 059	26, 194.50	68, 61, 51, 830.30
1, 28, 648	47, 783.50	2, 28, 32, 62, 872
1, 20, 928	40, 063.50	1, 60, 50, 84, 032
99, 521	18, 656.50	34, 80, 64, 992.30
32, 398	-48, 466.50	2, 34, 90, 01, 622
71, 431	-9, 433.50	8, 89, 90, 922.25
35, 415	-45, 449.50	2, 06, 56, 57, 050
33, 119	-47, 745.50	2, 27, 96, 32, 770
50, 714	-30, 150.50	90, 90, 52, 650.30
42, 587	-38, 277.50	1, 46, 51, 67, 006

$$\text{STD. DEV} = \sqrt{\sum (X - \text{MEAN})^2 / N}$$

STANDARD DEVIATION = Rs. 39,

035.51 CO – VARIANCE = STD. DEV.

$$\begin{aligned} & \frac{\dots\dots\dots X}{100 \text{MEAN}} \\ &= 39,035.51 \\ & \frac{\dots\dots\dots}{80,864.50} \times 100 = 48.27\% \end{aligned}$$

MEAN = Rs. 80,864.50

MEDIAN = Rs. 85,476

TABLE 5.11 STANDARD DEVIATION 2018 TO 2019

X	(X-MEAN)	(X-MEAN)^2
66, 249	11, 397.58	12, 99, 04, 829.90
1, 08, 198	53, 346.58	2, 84, 58, 57, 598
61, 939	7, 087.58	5, 02, 33, 790.26
43, 680	-11, 171.42	12, 48, 00, 624.80
62, 223	7, 371.58	5, 43, 40, 191.70
43, 781	-11, 070.42	12, 25, 54, 199
65, 415	10, 563.58	11, 15, 89, 222.40
23, 566	-31, 285.42	97, 87, 77, 504.60
24, 478	-30, 373.42	92, 25, 44, 642.50
44, 320	-10, 531.42	11, 09, 10, 807.20
40, 577	-14, 274.42	20, 37, 59, 066.30
73, 791	18, 939.58	35, 87, 07, 690.60
$\Sigma X=6, 58,$ 217		$\Sigma(X-MEAN)^2=$ 6, 01, 39, 80, 167

$$\text{STD. DEV} = \sqrt{\sum (X - \text{MEAN})^2 / N}$$

STANDARD DEVIATION = Rs. 22,

386.72 CO – VARIANCE = STD. DEV.

$$\frac{\dots\dots\dots X}{100 \text{MEAN}}$$

$$= 22, 386.72$$

$$\frac{\dots\dots\dots}{54, 851.42} \times 100 = 40.81\%$$

MEAN = Rs. 54, 851.42

MEDIAN = Rs. 53, 129.50

TABLE 5.12 STANDARD DEVIATION 2019 TO 2020

X	(X-MEAN)	(X-MEAN)^2
67, 347	-15, 237.67	23, 21, 86, 587
96, 960	11, 375.33	12, 93, 98, 132.60
60, 783	-21, 801.67	47, 53, 12, 814.80
1, 08, 442	25, 857.33	66, 86, 01, 514.70
88, 135	5, 550.33	3, 08, 06, 163.11
68, 628	-13, 956.67	19, 47, 88, 637.50
69, 506	-13, 078.67	17, 10, 51, 609
71, 755	-10, 829.67	11, 72, 81, 752.30
91, 068	8, 483.33	7, 19, 66, 887.89
97, 395	14, 810.33	21, 93, 45, 874.70
1, 27, 529	44, 944.33	2, 01, 99, 92, 799
43, 468	-39, 116.67	1, 53, 01, 13, 872

$$\text{STD. DEV} = \sqrt{\sum (X - \text{MEAN})^2 / N}$$

STANDARD DEVIATION = Rs. 22,099.86

CO – VARIANCE = STD. DEV.

$$\frac{\dots\dots\dots X}{100 \text{MEAN}}$$

$$= \frac{22,099.86}{82,584.67} \times 100 = 26.76\%$$

MEAN = Rs. 82,584.67

MEDIAN = Rs. 79,945

TABLE 5.13 STANDARD DEVIATION 2020 TO 2021

X	(X-MEAN)	(X-MEAN)^2
1, 29, 795	-30, 994.50	96, 06, 59, 030.30
91, 403	-69, 386.50	4, 81, 44, 86, 382
2, 05, 445	44, 655.50	1, 99, 41, 13, 680
1, 20, 902	-39, 887.50	1, 59, 10, 12, 656
1, 87, 382	26, 592.50	70, 71, 61, 056.30
2, 74, 987	1, 14, 197.50	1, 30, 41, 06, 901
1, 73, 761	12, 971.50	16, 82, 59, 812.30
1, 26, 785	-34, 004.50	1, 15, 63, 06, 020
1, 69, 824	-9, 034.50	8, 16, 22, 190.25
1, 09, 985	-50, 804.50	2, 58, 10, 97, 220
1, 62, 939	2, 149.50	46, 20, 350.25
1, 76, 266	15, 476.50	23, 95, 22, 052.30
$\sum X = 19, 29, 474$		$\sum (X-MEAN)^2 = 15, 60, 29, 67, 351$

$$\text{STD. DEV} = \sqrt{\sum (X - \text{MEAN})^2 / N}$$

STANDARD DEVIATION = Rs. 36,058.94
 CO – VARIANCE = STD. DEV.

$$\frac{\text{STANDARD DEVIATION}}{\text{MEAN}} \times 100$$

$$= \frac{36,058.94}{1,60,789.50} \times 100 = 22.43\%$$

MEAN = Rs. 1,60,789.50

MEDIAN = Rs. 1,66,381.50

TABLE 5.14 STANDARD DEVIATION 2021 TO 2022

X	(X-MEAN)	(X-MEAN)^2
1, 28, 010	-1, 447.25	20, 94, 532.56
1, 18, 055	-11, 402.25	13, 00, 11, 305.10
1, 61, 205	31, 747.75	1, 00, 79, 19, 630
1, 42, 410	12, 952.75	16, 77, 73, 732.60
1, 36, 541	7, 083.75	5, 01, 79, 514.06
1, 39, 835	10, 377.75	10, 76, 97, 695.10
1, 41, 304	11, 846.75	14, 03, 45, 485.60
1, 64, 985	35, 527.75	1, 26, 22, 21, 020
1, 65, 045	35, 587.75	1, 26, 64, 87, 950
83, 719	-45, 738.25	2, 09, 19, 87, 513
1, 19, 579	-9, 878.25	9, 75, 79, 823.06
52, 799	-76, 658.25	5, 87, 64, 87, 293
$\Sigma X = 15, 53, 487$		$\Sigma(X-MEAN)^2 = 12, 20, 07, 85, 494$

$$\text{STD. DEV} = \sqrt{\sum (X - \text{MEAN})^2 / N}$$

STANDARD DEVIATION = 31, 886.24

CO – VARIANCE = STD.
DEV.

.....X

100MEAN

CO – VARIANCE = 31, 886.24

----- X 100 = 24.63%

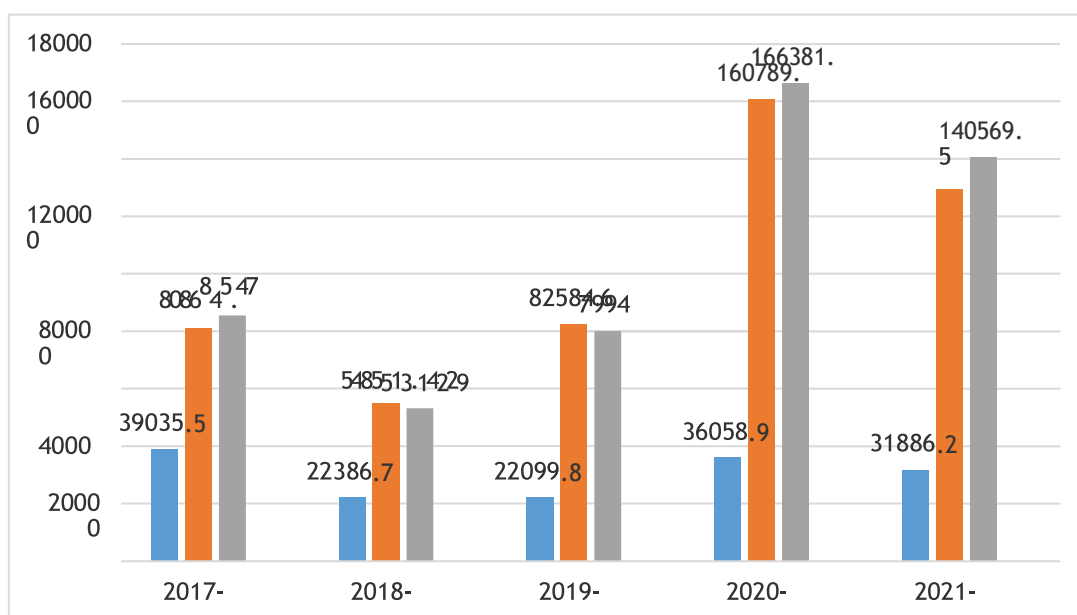
1, 29, 457.25

MEAN = Rs. 1, 29, 457.25

MEDIAN = Rs. 1, 40, 569.50

TABLE 5.15
SUMMARY TABLE

YEAR	Std. Dev. (in Rs)	Mean (in Rs.)	Median (in Rs.)	Co.V (in %)
2017-2018	39, 035.51	80, 864.50	85, 476	48.27%
2018-2019	22, 386.72	54, 851.42	53, 129.50	40.81
2019-2020	22, 099.86	82, 584.67	79, 945	26.76
2020-2021	36, 058.94	1, 60, 789.50	1, 66, 381.50	22.43
2021-2022	31, 886.24	1, 29, 457.25	1, 40, 569.50	24.63



INTERPRETATION

From the above table it is ascertained that the standard deviation, mean, median and the co-variance follow a very irregular trend. It increases and decreases alternatively. This shows that the company is not maintaining proper cash balances every year. Since high fluctuations are seen in standard deviation and variance the company is not really having a control on its cash management policies and forecast tools are not adequately used.

INFERENCE

From the above table of evident that 48.27% of the co-variance respondent 2017-2018 is higher.

FINDINGS

The following are the findings for the study

- Table- 1 clearly indicates that there is a decreasing trend in the current ratio level. In the year 2018 the ratio was 6.41 and it decreased to 1.75 by the year 2022, a decrease of 4.66 over five years. The main reason is due to sharp increase in the current liabilities over the 5 years period but the current asset remained at the same level.
- Table- 2 clearly indicates that there is a decreasing trend in the liquid ratio level. In the year 2018 the ratio was 6.32 and it decreased to 1.64 by the year 2022, a decrease of 4.68 over five years. The main reason is due to sharp increase in the current liabilities over the 5 years period but the liquid asset remained at the same level.
- Table- 3 clearly indicates that there is a decreasing trend in the cash position ratio level. In the year 2018 the ratio was 3.73 and it decreased to 2.16 by the year 2022, a decrease of 1.57 over five years. The main reason is due to sharp increase in the current liabilities over the 5 years period but the cash in hand at bank remained at the same level.
- Table- 4 clearly indicates that there is a decreasing trend in the net profit ratio level. In the year 2018 the ratio was 19.41% and it decreased to 11.34% by the year 2022, a decrease of 8.7% over five years. The net sales have been increased sharply but the reason for decrease in net profit is due to the increase in credit sales, increase in debt.
- Table- 5 clearly indicates that there is a decreasing trend in the fixed asset turnover ratio level. In the year 2018 the ratio was 1.40 and it decreased to 4.46 by the year 2022, a 0.31 decrease of 0.44 over five years. The net fixed asset has been increased sharply from the year 2018 to 2022.

- Table- 6 clearly indicates that there is an increasing trend in the administrative expenses ratio level. In the year 2018 the ratio was 12.95% and it decreased to 39.09% by the year 2022, an increase of 16.14% over five years.
- Table- 7 clearly indicates that there is a decreasing trend in the selling expenses ratio level. In the year 2018 the ratio was 0.74% and it decreased to 0.15% by the year 2022, a decrease of 0.59% over five years.
- Table- 8 clearly indicates that there is a decreasing trend in the capital turnover ratio level. In the year 2018 the ratio was 0.54 and it increased to 0.64 by the year 2022. The capital employed has decreased sharply from the 2018 to 2022 and the ratio remained in same level.
- Table- 9 clearly indicates that there is an increasing trend in the equity per share ratio level. In the year 2018 the ratio was 0.006 and it increased to 0.00096 by the year 2022. The main reason is due to the increase in number of equity shares from the year 2018-2022. The net profit after tax has gradually decreased from the year 2018 to 2022.
- The value of total current asset has been decreased from Rs.750,057 to Rs.666,926 with change of -11.08% in the year 2018 to 2019. The value of total fixed asset is decreased from Rs.340,121 to Rs.332,468 with change of - 2.25% in the year 2018 to 2019. The value of current liabilities is increased from Rs.117,055 to Rs.170,673 with change of 45.80% in the year 2018- 2019. The value of share capital remains same in both the year 2018 and 2019. The value of reserve and surplus is decreased from Rs.12,72,994 to Rs.11,82,778 with change of - 7.08% in the year 2018 to 2019.
- The value of total current asset has been increased from Rs.666,926 to Rs.688,208 with change of 3.191% in the year 2019 to 2020. The value of total fixed asset is increased from Rs.332,468 to Rs.374,359 with change of 12.60% in the year 2019 to 2020. The value of current

liabilities is increased from Rs.170,673 to Rs.192,676 with change of 12.89% in the year 2019- 2020.The value of share capital remains same in both the year 2019 and 2020.The value of reserve and surplus is decreased from Rs.11,82,778 to Rs.10,79,227 with change of - 8.75% in the year 2019 to 2020.

- The value of total current asset has been decreased from Rs.688,208 to Rs.504,481 with change of -26.69% in the year 2020 to 2021.The value of total fixed asset is decreased from Rs.374,359 to Rs.355,501 with change of - 5.03% in the year 2020 to 2021.The value of current liabilities is increased from Rs.192,676 to Rs.259,706 with change of 34.78% in the year 2020- 2021.The value of reserve and surplus is decreased from Rs.10,79,227 to Rs.10,02,946 with change of -7.06% in the year 2020 to 2021.
- The value of total current asset has been decreased from Rs.5, 04,481 to Rs.7, 63,000 with change of -51.24% in the year 2021 to 2022.The value of total fixed asset is decreased from Rs.355, 501to Rs.290,600 with change of 18.25% in the year 2021 to 2022.The value of current liabilities is increased from Rs.192,676 to Rs.3,42,900 with change of - 32.03% in the year 2021- 2022.The value of reserve and surplus is decreased from Rs.10,02,946 to Rs.83, 91,000 with change of - 736.63% in the year 2021 to 2022.
- The above table describes that the estimated earnings of cash and bank balance for the year 2021 is Rs.1804287.6when compared to year 2022 the value of cash and bank balance is Rs.7,41,000, it's decreased to Rs.1804287.6 in the year 2021.
- The net cash from operating activities in the 2017 is Rs. 229,160 which is decreased to Rs. (175,340) in the year 2018. The net cash used in investing activities in the year 2017 is Rs. (856,627) which is increased to Rs. 450,415 in 2018. The net cash from financing activities in the year 2017 is Rs. 723,266 which is decreased to Rs.

(141,934) in 2018.

- The net cash from operating activities in the 2019 is Rs. (43,291) which is decreased to Rs. (70,122) in the year 2020. The net cash used in investing activities in the year 2019 is Rs. (103,498) which is increased to Rs. 30,519 in 2020. The net cash from financing activities in the year 2019 is Rs. 1.195 which is increased to Rs. 18,635 in 2020. The total net increase in cash and cash equivalents in 2019 is Rs. (145,594) which is increased to Rs. (20,968) in 2020.
- The net cash from operating activities in the 2020 is Rs.(70,122) which is increased to Rs.63,217 in the year 2021. The net cash used in investing activities in the year 2020 is Rs.30,519 which is increased to Rs.(203,553) in 2021. The net cash from financing activities in the year 2020 is Rs.18,635 which is decreased to Rs.7,109 in 2021.
- The total net increase in cash and cash equivalents in 2020 is Rs.(20,968) which is decreased to Rs.(133,227) in 2021.
- The net cash from operating activities in the 2021 is Rs.(63,217) which is increased to Rs.1049 in the year 2022. The net cash used in investing activities in the year 2021 is Rs.(203,553) which is increased to Rs(485) in 2022. The net cash from financing activities in the year 2021 is Rs.7,109 which is decreased to Rs.156 in 2022.
- The total net increase in cash and cash equivalents in 2021 is Rs.(133,227) which is decreased to Rs:(720) in 2022.

SUGGESTIONS AND RECOMMENDATION

- The company must prepare a cash budget and weekly cash forecast to track actual cash in and out against projected cash in and out. These tools will enable a company the better control where the cash is going and prioritize future cash expenditures.
- The company must prevent costly supply disruptions which can bring sales and cash flow to a halt. The company must use multiple suppliers for key items when possible. Know the suppliers' financial condition so you can anticipate potential disruptions due to financial stress.
- The company can employ to the extent practical a just-in-time inventory system. Such systems can free up cash that otherwise would be tied up in inventory. The benefits include reduced inventory levels and increased turnover, reduced purchasing lead time and safety stocks, increased scheduling flexibility, lower investment in factory and warehouse space, reduced obsolescence, reduced scrap and rework, and reduced operating expense.
- The company can reduce administrative costs by centralizing collection efforts within the firm or at least within major business units. This means employing a dedicated collection staff. Have the staff call customers frequently to inquire about payment if the payment is late. The customer will not be offended if it is already late.
- Cash management is more difficult for many smaller businesses due to a lack of access to timely and accurate account information. The company must take a timely decisions based on its cash position.

CHAPTER -8

CONCLUSION

This report is the resultant of intricate study of various data and information related to topic **“A STUDY ON CASH FLOW MANAGEMENT WITH REFERENCE TO SQUARESOFT TECHNOLOGIES ”**. This report results in conclusion and suggestion at the end of this study. The study gives an assessment of how effective the company is in its financial position.

The main purpose of this study was to examine if evidence of a structural change can be detected from the decision-making practices of cash management. Through survey an attempt was made to identify then best practices followed by the company and their developments during the research period. The results of the survey part of the study revealed that cash management practices changed significantly during the research period.

Generally the survey evidence showed that firms have achieved significant technological progress (improving systems and methods) and significant behavioral changes (increasing professionalism) concerning cash management practices during the research period, referring to increasing opportunities for more effective cashmanagement operations.

The final conclusion is that in future more attention should be devoted to improve the cash management process. This study presents some aspects which may help to explain the current behavior of cash management of the company.

CHAPTER-9

ANNEXURES

**TABLE SHOWING 5.10 COMPARATIVE BALANCE SHEET FOR THE
YEAR 2018-2019**

PARTIULARS	2018	2019	AMOUNT	% CHANGES
Application Of Funds				
Current Assets:				
Sundry Debtors	303,171	362,941	59,770	19.71
Cash & bank balances	436,641	288,516	-148,125	-33.92
Other current asset	10,245	15,469	5,224	50.99
Total(A)	750,057	666,926	-83,131	-11.08
Fixed Asset	340,121	332,468	-7,653	-2.25
Intangible Asset	-	49,558	49,558	-
Goodwill	26,728	-	-26,728	-100
Investment	310,959	315,374	4,415	1.41
Loan & Advances	129,013	159,831	30,818	23.88
Total(B)	806,821	857,231	50,410	6.24
Total(A+B)	15,56,878	15,24,157	-32,721	-2.101

Sources Of Funds				
Current Liabilities	117,055	170,673	53,618	45.80
Share Capital	152,383	152,383	-	-
Stock Options Outstanding	10,777	12,406	1,629	15.11
Reserve & Surplus	12,72,994	11,82,778	-9,0216	-7.086
Secured Loan	3,669	5,917	2,248	61.27
Total	15,56,878	15,24,157	-32,721	-2.101

INTERPRETATION

The value of total current asset has been decreased from Rs.750,057 to Rs.666,926 with change of -11.08% in the year 2018 to 2019. The value of total fixed asset is decreased from Rs.340,121 to Rs.332,468 with change of -2.25% in the year 2018 to 2019. The value of current liabilities is increased from Rs.117,055 to Rs.170,673 with change of 45.80% in the year 2018-2019. The value of share capital remains same in both the year 2018 and 2019. The value of reserve and surplus is decreased from Rs.12,72,994 to Rs.11,82,778 with change of -7.08% in the year 2018 to 2019.

**TABLE SHOWING 5.11 COMPARATIVE BALANCE SHEET FOR THE
YEAR 2019-2020**

PARTIULARS	2019	2020	AMOUNT	% CHANGES
Application Of Funds				
Current Assets:				
Sundry Debtors	362,941	407,086	44,145	12.16
Cash & bank balances	288,516	267,227	-21,289	-7.37
Other current asset	15,469	13,895	-1,574	-10.17
Total(A)	666,926	688,208	21,282	3.191
Fixed Asset	332,468	374,359	41,891	12.60
Intangibl eAsset	49,558	62,487	12,929	26.08
Investment	315,374	133,153	-182,221	-57.77
Loan & Advances	159,831	202,501	42,670	26.69
Total(B)	857,231	772,500	-84,731	-9.88
Total(A+B)	15,24,157	14,60,708	-63,449	-4.162
Sources Of Funds				
Current Liabilities	170,673	192,676	22,003	12.89
Share Capital	152,383	152,383	-	-

Stock Options Outstanding	12,406	10,818	-1,588	-12.80
Reserve & Surplus	11,82,778	10,79,227	-103,551	-8.75
Secured Loan	5,917	25,604	19,687	332.71
Total	15,24,157	14,60,708	-63,449	-4.162

INTERPRETATION:

The value of total current asset has been increased from Rs.666,926 to Rs.688,208 with change of 3.191% in the year 2019 to 2020. The value of total fixed asset is increased from Rs.332,468 to Rs.374,359 with change of 12.60% in the year 2019 to 2020. The value of current liabilities is increased from Rs.170,673 to Rs.192,676 with change of 12.89% in the year 2019-2020. The value of share capital remains same in both the year 2019 and 2020. The value of reserve and surplus is decreased from Rs.11,82,778 to Rs.10,79,227 with change of -8.75% in the year 2019 to 2020.

**TABLE SHOWING 4.12 COMPARATIVE BALANCE SHEET FOR THE
YEAR 2020-2021**

PARTIULARS	2020	2021	AMOUNT	% CHANGES
Application Of Funds				
Current Assets:				
Sundry Debtors	407,086	338,221	-68,865	-16.91
Cash & bank balances	267,227	155,314	-111,913	-41.87
Other current asset	13,895	10,946	-2,949	-21.22
Total(A)	688,208	504,481	-183,727	-26.69
Fixed Asset	374,359	355,501	-18,858	-5.03
Intangible Asset	62,487	162,756	100,269	160.4
Investment	133,153	187,506	54,353	40.8
Loan & Advances	202,501	250,715	48,214	23.80
Total(B)	772,500	956,478	183,978	23.81
Total(A+B)	14,60,708	14,60,959	251	0.017
Sources Of Funds				
Current Liabilities	192,676	259,706	67,030	34.78
Share Capital	152,383	152,383	-	-

Stock Options Outstanding	10,818	10,076	-742	-6.85
Reserve & Surplus	10,79,227	10,02,946	-76,281	-7.06
Minority Interest	-	2,211	2,211	0
Secured Loan	25,604	33,637	8,033	31.37
Total	14,60,708	14,60,959	251	0.017

INTERPRETATION

The value of total current asset has been decreased from Rs.688,208 to Rs.504,481 with change of -26.69% in the year 2020 to 2021. The value of total fixed asset is decreased from Rs.374,359 to Rs.355,501 with change of -5.03% in the year 2020 to 2021. The value of current liabilities is increased from Rs.192,676 to Rs.259,706 with change of 34.78% in the year 2020-2021. The value of reserve and surplus is decreased from Rs.10,79,227 to Rs.10,02,946 with change of -7.06% in the year 2020 to 2021.

**TABLE SHOWING 5.13 COMPARATIVE BALANCE SHEET FOR THE
YEAR 2021-2022**

PARTIULARS	202 1	202 2	AMOUNT	% CHANGES
Application Of Funds				
Current Assets:				
Sundry Debtors	338,221			
Cash & bank balances	155,314	741,000	-585686	-377.09
Other current asset	10,946	22,000	-11054	-100.98
Total(A)	504,481	763,000	-250519	-51.24
Fixed Asset	355,501	290,600	64901	18.25
Intangible Asset	162,756	172,800	-10044	-6.17
Investment	187,506	54,353	133153	71.01
Loan & Advance s	250,715	48,214	202501	80.76
Total(B)	956,478	565,967	390511	40.82
Total(A+B)	14,60,959	1,328,967	131992	9.03
Sources Of Funds				
Current Liabilities	259,706	3,42,900	-83194	-32.03

Share Capital	152,383	1,52,383	0	0
Stock Options Outstanding	10,076	1,52,400	-142324	141.25
Reserve & Surplus	10,02,946	83,91,000	-738854	-736.63
Minority Interest	2,211	25,400	-23189	-100.4
Secured Loan	33,637	23810	9827	29.21
Total	14,60,959	9,087,893	-7626934	-522.04

INTERPRETATION

The value of total current asset has been decreased from Rs.5, 04,481 to Rs.7, 63,000 with change of -51.24% in the year 2021 to 2022. The value of total fixed asset is decreased from Rs.355, 501 to Rs.290,600 with change of 18.25% in the year 2021 to 2022. The value of current liabilities is increased from Rs.192,676 to Rs.3,42,900 with change of -32.03% in the year 2021-2022. The value of reserve and surplus is decreased from Rs.10,02,946 to Rs.83, 91,000 with change of -736.63% in the year 2021 to 2022.

LEAST SQUARE METHOD

TABLE SHOWING 4.16 LEAST SQUARE METHOD

YEAR	CASH AND BANK BALANCE (Y)	DEVIATION FROM 2020 (X)	X ²	XY
2018	436,641	-2	4	-873282
2019	288,516	-1	1	-288516
2020	267,227	0	0	0
2021	155,314	-1	1	155314
2022	7,41,000	-2	4	1482000
N=5	Y= 1,888,698	X=0	X²=10	XY=475516

Here X=3 (x-2020)

$$Y = a + bx$$

$$a = Y / N$$

$$= 1,888,698 / 5$$

$$= 377739.6$$

$$b = XY/X^2$$

$$= 475516 / 10$$

$$= 47551.6$$

$$Y = 377739.6 + 47551.6 x$$

Predicted cash and bank balances for 2021, X will be

(3) When X is (3), Y will be

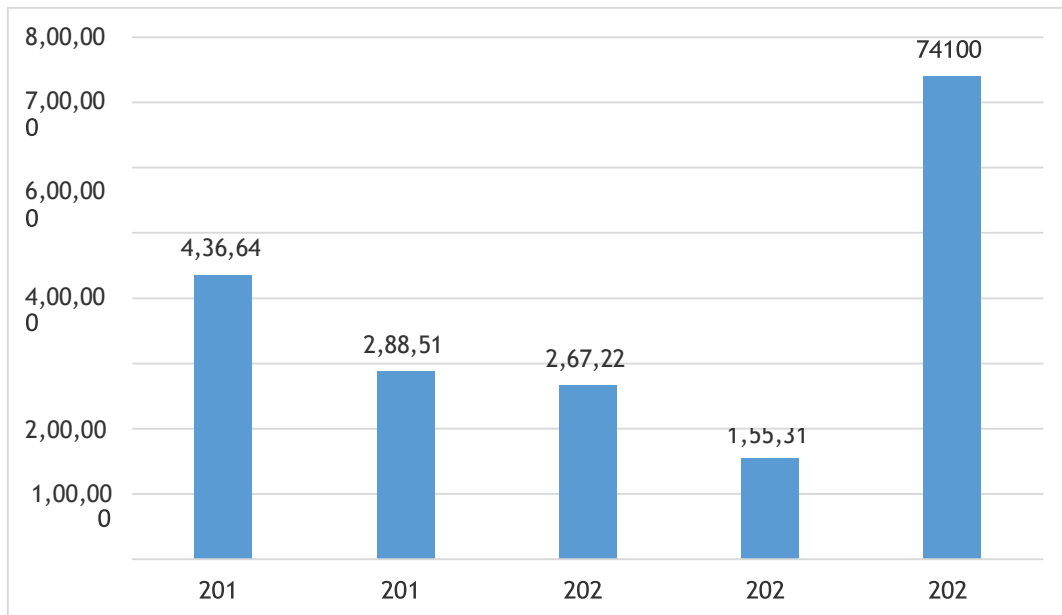
$$Y = 377739.6 + 47551.6 * 3$$

$$Y = 377739.6 + 1426548$$

$$Y = 1804287.6$$

Showing Least Square Method

CHART SHOWING 5.16 LEAST SQUARE METHOD



INTERPRETATION

The above table describes that the estimated earnings of cash and bank balance for the year 2021 is Rs.1804287.6, when compared to year 2022 the value of cash and bank balance is Rs.7,41,000, it's decreased to Rs.1804287.6 in the year 2021.

CASH FLOW STATEMENT FROM THE YEAR 2018-2022

**TABLE SHOWING 5.17 CASH FLOW STATEMENT OF THE YEAR
2017-2018**

PARTICULARS	Year 2018	Year 2017
A. Cash flow from operating activities:		
Net profit / (loss) before tax	(171,200)	247,641
Adjustments for:		
-Depreciation	86,168	110,797
-Amortisation of goodwill	685	5
-Interest expense	326	450
-Interest income	(2,901)	(5,556)
-Dividend income	(35,776)	(31,302)
	)	
-Loss on sale of assets	510	627
-Provision for doubtful debts	8,004	-
-(Profit) on sale of investments	(232)	(120)
-Liabilities no longer required written back	(1,601)	-
-Unrealised foreign exchange (gain) / loss, <i>net</i>	(6,947)	6,520
-Amortisation of employee stock compensation cost	7,752	2,128
Operating profit / (loss) before		

working capital changes	(115,212)	331,190
Adjustments for changes in working capital :		
- (Increase) in sundry debtors	(22,966)	(73,017)
- (Increase) in loans and advances and other current assets	(37,126)	(25,138)
- Increase / (Decrease) in current liabilities and provisions	5,610	(571)
Cash generated from / (used in) operations	(169,694)	232,464
- Taxes (paid), net	(5,646)	(3,304)
Net cash from / (used in) Operating Activities –(A)	(175,340)	229,160
B. Cash flow from investing activities:		
-Capital expenditure	(72,356)	(39,840)
-Proceeds from sale of fixed assets	1,682	1,991
-Purchase of investments - mutual funds	(1,933,016)	(3,239,348)
-Proceeds from sale of investments -	2,345,383	2,516,374

mutual funds		
-Investment in subsidiary	(29,711	(31,708)
	)	
-Deposits (made) / received during the year	100,000	(100,000)
-Interest received	2,657	4,602
-Dividend Received	35,776	31,302
Net cash from / (used in) investing activities- (B)	450,415	(856,627)
C. Cash flow from financing activities:		
-Proceeds from issue of equity share capital / share warrants	(426)	812,012
-Share issue expenses	(200)	(19,427)
-Proceeds from long term borrowings	(50,289	1,175
	)	
-Repayment of long term borrowings	(1,552)	(1,134)
-Interest paid	(326)	(450)
-Dividend paid	(76,192	(60,434)
	)	
-Dividend tax paid	(12,949	(8,476)
	)	
Net cash from / (used in) financing activities- (C)	(141,934)	723,266

INTERPRETATION

The net cash from operating activities in the 2017 is Rs. 229,160 which is decreased to Rs. (175,340) in the year 2018. The net cash used in investing activities in the year 2017 is Rs. (856,627) which is increased to Rs. 450,415 in 2018. The net cash from financing activities in the year 2017 is Rs. 723,266 which is decreased to Rs. (141,934) in 2018.

TABLE 5.18 CASH FLOW STATEMENT OF THE YEAR 2018-2019

PARTICULARS	Year 2019	Year 2018
A. Cash flow from operating activities:		
Net profit / (loss) before tax	(94,831)	(171,200)
Adjustments for:		
-Depreciation and amortization	115,844	86,853
-Interest expense	1,053	326
-Interest income	(15,738)	(2,901)
-Dividend income	(18,680)	(35,776)
-(Profit) / Loss on sale of assets	(296)	510
-Provision for doubtful debts	10,187	8,004
-(Profit) on sale of investments	-	(232)
-Liabilities no longer required written back	(1,117)	(1,601)
-Unrealized foreign exchange (gain) / loss, <i>net</i>	(44,069)	(6,947)
-Amortization of employee stock compensation cost	2,486	7,752
Operating profit / (loss) before working capital changes	(45,161)	(115,212)

Adjustments for changes in working capital :		
- (Increase) in sundry debtors	(120,914)	(22,966)
- (Increase) in loans and advances and other current assets	(87,106)	(37,126)
- Increase / (Decrease) in current liabilities and provisions	211,249	5,610
Cash generated from / (used in) operations	(41,752)	(169,694)
- Taxes (paid), net	(1,539)	(5,646)
Net cash from / (used in) Operating Activities- (A)	(43,291)	(175,340)
B. Cash flow from investing activities:		
-Capital expenditure	(78,178)	(72,356)
-Proceeds from sale of fixed assets	3,303	1,682
-Purchase of investments - mutual funds	(433,894)	(1,933,016)
-Consideration paid for purchase of business of i2i	(47,528)	—
-Expenses incurred relating to purchase of business of i2i	(1,200)	—

-Proceeds from sale of investments	429,479	2,345,383
- mutual funds		
-Investment in subsidiary	—	(29,711)
-Deposits (made) / received during the year	—	100,000
-Interest received	5,840	2,657
-Dividend Received	18,680	35,776
Net cash from / (used in) investing activities-(B)	(103,498)	450,415
C. Cash flow from financing activities:		
-Proceeds from issue of equity share capital / share warrants	-	(426)
-Share issue expenses	-	(200)
-Proceeds from long term borrowings	3,577	(50,289)
-Repayment of long term borrowings	(1,329)	(1,552)
-Interest paid	(1,053)	(326)
-Dividend paid	-	(76,192)
-Dividend tax paid	-	(12,949)
Net cash from / (used in) financing activities- (C)	1,195	(141,934)
Net Increase in cash and cash equivalents- (A+B+C)	(145,594)	133,141

INTERPRETATION

The net cash from operating activities in the 2018 is Rs. (175,340) which is decreased to Rs. (43,291) in the year 2019. The net cash used in investing activities in the year 2018 is Rs. 450,415 which is decreased to Rs. (103,498) in 2019. The net cash from financing activities in the year 2018 is Rs. (141,934) which is increased to Rs.1.195 in 2019. The total net increase in cash and cash equivalents in 2018 is Rs.133,141 which is decreased to Rs. (145,594) in 2019.

**TABLE SHOWING 5.19 CASH FLOW STATEMENT OF THE YEAR 2019-
2020**

PARTICULARS	Year 2020	Year 2019
A. Cash flow from operating activities:		
Net profit / (loss) before tax	(99,919)	(94,831)
Adjustments for:		
-Depreciation and amortisation	133,580	115,844
-Interest expense	1,052	1,053
-Interest income	(62,241)	(15,738)
-Dividend income	(5,942)	(18,680)
-(Profit) / Loss on sale of assets	3,240	(296)
-Provision for doubtful debts / (write back)	(14,827)	10,187
-(Profit) on sale of current investments	(1,725)	—
-Liabilities no longer required written back	(11,193)	(1,117)
-Unrealised foreign exchange (gain)		
/loss, net	39,126	(44,069)
-Amortisation of employee stock compensation cost	-	2,486
Operating profit / (loss) before working capital changes	(18,849)	(45,161)
Adjustments for changes in working capital :		
- Decrease / (Increase) in sundry debtors	(122,571)	(120,914)
- (Increase) / Decrease in loans		

and		
advances and other current assets	(90,111)	(87,106)
- Increase in current liabilities and provisions	201,675	211,249
Cash generated from operations	(29,856)	(41,752)
- Taxes (paid), net	(40,266)	(1,539)
Net cash from / (used in) operating activities – (A)	(70,122)	(43,291)
B. Cash flow from investing activities:		
-Capital expenditure		(78,178)
-Proceeds from sale of fixed assets	(187,244)	3,303
-Purchase of investments - mutual funds	783	(433,894)
-Consideration paid for purchase of business of i2i	440,141)	(47,528)

-Expenses incurred relating to purchase of business of i2i	-	(1,200)
-Proceeds from sale of investments	-	429,479
mutual funds	624,085	
-Interest received		5,840
-Dividend received	27,094	18,680
Net cash from / (used in) investing activities – (B)	5,942	(103,498)
C. Cash flow from financing activities:	30,519	
-Proceeds from long term borrowings		3,577
-Repayment of long term borrowings	4,786	(1,329)
-Proceeds from short term borrowings	(2,341)	(1,329)
-Interest paid	17,242	(1,053)
Net cash from / (used in) financing activities – (C)	(1,052)	1,195
Net increase / (decrease) in cash and cash equivalents- (A+B+C)	18,635	(145,594)
	(20,968)	)

INTERPRETATION

The net cash from operating activities in the 2019 is Rs. (43,291) which is decreased to Rs. (70,122) in the year 2020. The net cash used in investing activities in the year 2019 is Rs. (103,498) which is increased to Rs. 30,519 in 2020. The net cash from financing activities in the year 2019 is Rs. 1.195 which is increased to Rs. 18,635 in 2020. The total net increase in cash and cash equivalents in 2019 is Rs. (145,594) which is increased to Rs. (20,968) in 2020.

**TABLE SHOWING 5.20 CASH FLOW STATEMENT OF THE YEAR 2020-
2021**

PARTICULARS	Year 2021	Year 2020
A. Cash flow from operating activities:		
Net profit / (loss) before tax and minority interest	(73,536)	(99,919)
Adjustments for:		
-Depreciation and amortization		
-Interest expense	137,619	133,580
-Interest income	925	1,052
-Dividend income	(14,556)	(62,241)
-(Profit) / Loss on sale of assets	(640)	(5,942)
-Provision for doubtful debts / (write back)	534	3,240
-Profit on sale of current investments	1,674	(14,827)
-Liabilities no longer required written back	(9,589)	(1,725)
-Unrealised foreign exchange (gain) /loss, net	(1,952)	(11,193)
Operating profit / (loss) before working capital changes	5,776	39,126
Adjustments for changes in	46,255	(18,849)

working capital:		
- (Increase) in sundry debtors		
- (Increase) in loans and advances and other current assets		
- Increase / (Decrease) in current liabilities and provisions	36,371	(122,571)
Cash generated from / (used in) operations	(101,561)	(90,111)
- Taxes (paid), net		
Net cash from / (used in) operating activities – (A)	137,732	201,675
B. Cash flow from investing activities:	118,797	(29,856)
-Capital expenditure	(55,580)	(40,266)
-Proceeds from sale of fixed assets		
-Purchase of investments -mutual funds	63,217	(70,122)
-Proceeds from sale of investments - mutual funds		

-Consideration paid for purchase of business Management	(83,097) 2,890	(187,244) 783
-Interest received	(1,448,597)	(440,141)
-Dividend received		
Net cash from / (used in) investing activities –(B)	1,403,878	624,085
C. Cash flow from financing activities:	(99,393)	-
-Proceeds from long term borrowings		
-Proceeds from short term borrowings		
-Repayment of long term borrowings	20,126	27,094
-Interest paid	640	5,942
	(203,553)	30,519
Net cash from / (used in) financing activities – (C)		
Net increase in cash and cash equivalents – (A+B+C)		
	3,467	4,786
	10,380	17,242
	(5,813)	(2,341)
	(925)	(1,052)

	7,109	18,635
	(133,227)	(20,968)

INTERPRETATION

The net cash from operating activities in the 2020 is Rs.(70,122) which is increased to Rs.63,217 in the year 2021. The net cash used in investing activities in the year 2020 is Rs.30,519 which is increased to Rs.(203,553) in 2021. The net cash from financing activities in the year 2020 is Rs.18,635 which is decreased to Rs.7,109 in 2021. The total net increase in cash and cash equivalents in 2020 is Rs.(20,968) which is decreased to Rs.(133,227) in 2021.

**TABLE SHOWING 5.21 CASH FLOW STATEMENT OF THE YEAR
2021-2022**

PARTICULARS	Year 2022	Year 2021
A. Cash flow from operating activities:		
Net profit / (loss) before tax and minority interest	(1049)	(73,536)
Adjustments for:		
-Depreciation and amortization		
-Interest expense	1414	137,619
-interest income	22	925
-Dividend income	(45)	(14,556)
-(Profit) / Loss on sale of assets	(3)	(640)
-Provision for doubtful debts / (write back)	8	534
-Profit on sale of current investments	1,674	1,674
-Liabilities no longer required written back	(29)	(9,589)
-Unrealised foreign exchange (gain) /loss, net	(28)	(1,952)
Operating profit / (loss) before working capital changes	29	5,776

Adjustments for changes in working capital:	226	46,255
- (Increase) in sundry debtors		
- (Increase) in loans and advances and other current assets		
- Increase / (Decrease) in current liabilities and provisions	1,476	36,371
Cash generated from / (used in) operations	(112)	(101,561)
- Taxes (paid), net		
Net cash from / (used in) operating activities – (A)	883	137,732
B. Cash flow from investing activities:	409	118,797
-Capital expenditure	(640)	(55,580)
-Proceeds from sale of fixed assets		
-Purchase of investments -mutual funds	1049	63,217
-Proceeds from sale of investments -		

mutual funds		
-Consideration paid for purchase of business	(1,203)	(83,097)
Management	154	2,890
-Interest received	(4310)	(1,448,597)
-Dividend received		
Net cash from / (used in) investing activities –(B)	5768	1,403,878
C. Cash flow from financing activities:	(99,393)	(99,393)
-Proceeds from long term borrowings		
-Proceeds from short term borrowings		
-Repayment of long term borrowings	42	20,126
-Interest paid	3	640
	(485)	(203,553)
Net cash from / (used in) financing activities – (C)		
Net increase in cash and cash equivalents – (A+B+C)		
	-	3,467
	-	10,380
	(14)	(5,813)
	(22)	(925)
	156	7,109

	(720)	(133,227)
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INTERPRETATION

The net cash from operating activities in the 2021 is Rs.(63,217) which is increased to Rs.1049 in the year 2022. The net cash used in investing activities in the year 2021 is Rs.(203,553) which is increased to Rs(485) in 2022. The net cash from financing activities in the year 2021 is Rs.7,109 which is decreased to Rs.156 in 2022. The total net increase in cash and cash equivalents in 2021 is Rs.(133,227) which is decreased to Rs:(720) in 2022.

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APPENDIX II - ARTICLE

A STUDY ON CASH FLOW MANAGEMENT WITH FERERENCE TO SQUARESOFT TECHNOLOGIES

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ABSTRACT

In a business anything done financially affects cash eventually. Cash is to a business is what blood is to a living body. A business cannot operate without its life blood cash, and without cash management, there may remain no cash to operate. Cash management in a business is two- way traffic. It keeps on moving in and out of business, the inflow and outflow of cash never coincides. Important aspect which is unique to cash management is time dimension associated with the movement of cash.

Due to non- synchronicity of cash inflow and outflow, the inflow may be more than the outflow or the outflow may be more than the inflow at a particular point of time. Hence there is a dive need to control its movement through skillful cash management.

The primary aim of cash management is to ensure that there should be enough cash availability when the need arises, not too much, but never too little

INTRODUCTION

The main objective of cash management is to utilize cash as efficiently as possible in manner consistent with a company's overall strategic objectives. The study was conducted to find out the various techniques of cash management which the company has adopted. The study helped the researcher to find out the financial requirements of business which must be sufficient to meet its long-term and short term commitments. The study helped the researcher to know the financial position the company. The study helped the researcher to know the performance of the company which is judged by its financial statements. Profit-and-loss projection helped the researcher in projecting company's profitability. Based on the study suggestions have been given for the efficient management of cash

INDUSTRY PROFILE

The global sourcing market in India continues to grow at a higher pace compared to the IT-BPM industry. India is the leading sourcing destination across the world, accounting for approximately 55% market share of the US\$ 200-250 billion global services sourcing business in 2021-20.

The IT industry accounted for 8% of India's GDP in 2022. According to STPI (Software Technology Park of India), software exports by the IT companies connected to it, stood at Rs. 1.20 lakh crore (US\$ 16.29 billion) in the first quarter.

COMPANY PROFILE

Signware Technologies is a software development company based in Chennai established in 2005. We take pride in introducing ourselves as one of the top Software and website development company in Chennai and most creative and ingenious among our peers, in this industry. We provide the latest technology and most innovative solutions, allowing us to give our customers the best service possible. We believe in working with the client, rather than for the client. This gives us an opportunity to understand the exact needs of the client. We provide the most effective and performance oriented company to our customers.

OBJECTIVES OF THE STUDY

To compare the financial position of various years of the company.

To study the comparative measurement of financial data by using the method of ratio analysis.

To ascertain the future financial requirement of the company.

To analysis and give suggestion for improving cash management process.

NEED FOR STUDY

Financial analysis is a powerful mechanism Which shows Important aspect which is unique to cash management is time dimension associated with the movement of cash.

Due to non- synchronicity of cash inflow and outflow, the inflow may be more than the outflow or the outflow may be more than the inflow at a particular point of time. This needs regulation left to itself cash flow is apt to follow monsoonic pattern, and showers of cash may be heavy, scanty or just normal. Hence there is a dive need to control its movement through skillful cash management. The primary aim of cash management is to ensure that there should be enough cash availability when the need arises, not too much, but never too little.

SCOPE OF THE STUDY

In a business anything done financially affects cash eventually. Cash is to a business is what blood is to a living body. A business cannot operate without its life blood cash, and without cash management, there may remain no cash to operate. Cash management in a business is two- way traffic. It keeps on moving in and out of business, the inflow and outflow of cash never coincides.

REVIEW OF LITERATURE

Mathur Shivam & Agarwal Krati (2016) Ratio's are an excellent and scientific way to analyze the financial performance of any firm. The company has received many awards and achievements due to its new innovations and technological advancement. These indicators help the investors to invest the right company for expected profits. The study shows that Maruti Suzuki limited is better than Tata motors limited.

Abdullah Mohammad Khan WAHID (October 4, 2007) A financial viability is responsible for a wide range of functions such as account processing payable and receivable operations, taking into account the transfer of assets and the closing of the books as soon as possible. Properly fulfill these functions is essential for a company, on the basis of precise handling operations and accurate financial statements. These activities are clearly on the basis of any successful career in financial analysis. However, the organizer has exceptional skills in analyzing appropriate funding for success.

Agarwal, Nidhi (2015) The study focuses on the comparative financial performance of Maruti Suzuki and Tata motors Ltd. The financial data and information required for the study are drawn from the various annual reports of companies. The liquidity and leverage analysis of both the firms are done. To analyze the leverage position, four ratios are considered namely, capital gearing, debt equity, total debt and proprietary ratio.

All financial statements are essentially historically historical documents.

They tell what has happened during a particular period of time. However most users of financial statements are concerned about what will happen in the future. Stockholders are concerned with future earnings and dividends.

Anthony, Patrick, Babak Behnoee, Malek Hassanpour, and Dragan Pamucar.(2019) "Financial performance evaluation of seven Indian chemical companies." *Decision Making: Applications in Management and Engineering* 2, no. 2 (2019)

RESEARCH METHODOLOGY

A research methodology is a method of systematically solving a research problem. Choosing a design for the study is crucial step because, if a wrong decision is made the whole study may be criticized on the grounds of an appropriate design even worse as been unscientific or illogical. It is descriptive in nature.

RESEARCH DESIGN

The proposed research is analytical in nature. Research design is necessary to smoothly proceed with various research tasks and to advance research as efficiently as possible. The research design for a particular problem usually requires consideration of many factors. Researchers should use facts or information already available. Researchers must analyze the facts to critically evaluate the material.

SOURCES OF DATA

Secondary data is used as the main source of information. These make up the company's balance sheet for the five years from 2018 to 2022.

TOOLS FOR ANALYSIS

- Ratio analysis
- Trend percentage analysis.

PROPRIETARY RATIO

Year	Shareholder fund	Total Asset	Ratio (Times)
2018	49032.66	721526.32	0.067
2018 9	57947.70	964432.08	0.060
2020	65949.20	1053413.74	0.062
2021	64986.04	1223736.20	0.053
2022	83951.20	1335519.24	0.062

INTREPRETATION

It shows that proprietary ratio was high in the year 2018 and low in the year 2021. Thus, it can be said that the company is maintaining the long term solvency. The current year (2022) proprietary ratio is found to be it is in a increasing position.

CURRENT RATIO

Year	Current Asset	Current Liability	Current Ratio
2018	484234.54	83362.30	5.81
2019	646907.00	110697.57	5.84
2020	728098.00	80336.70	9.06
2021	879593.60	105248.39	8.36
2022	964742.06	80915.09	11.92

INTERPRETATION

It shows that current ratio was high in the year 2022 with 11.92 and low in the year 2017 with 5.81. The current year (2022) current ratio is found to be the highest (11.92) due to the decrease in the liabilities.

CASH POSITION RATIO

Year	Cash-company	Current liabilities	Ratio (Times)
2018	67,466.34	83362.30	0.81
2019	104,403.80	110697.57	0.94
2020	96,183.85	80336.70	1.20
2021	122,874.15	105248.39	1.17
2022	97,163.17	80915.09	1.20

INTREPRETATION

From the table, It ,indicates that there is an increasing trend in the equity per share ratio level. In the year 2018 the ratio was 0.006 and it increased to 0.00096 by the year 2022. The main reason is due to the increase in number of equity shares from the year 2018-2022. The net profit after tax has gradually decreased from the year 2018 to 2022

FINDINGS

- The total net increase in cash and cash equivalents in 2020 is Rs.(20,968) which is decreased to Rs.(133,227) in 2021.
- The net cash from operating activities in the 2021 is Rs.(63,217) which is increased to Rs.1049 in the year 2022. The net cash used in investing activities in the year 2021 is Rs.(203,553) which is increased to Rs(485) in 2022. The net cash from financing activities in the year 2021 is Rs.7,109 which is decreased to Rs.156 in 2022.
- The total net increase in cash and cash equivalents in 2021 is Rs.(133,227) which is decreased to Rs:(720) in 2022.

SUGGESTIONS

Cash management is more difficult for many smaller businesses due to a lack of access to timely and accurate account information. The company must take a timely

decisions based on its cash position

The company must prepare a cash budget and weekly cash forecast to track actual cash in and out against projected cash in and out. These tools will enable a company

the better control where the cash is going and prioritize future cash expenditures.

CONCLUSIONS

The main purpose of this study was to examine if evidence of a structural change can be detected from the decision-making practices of cash management. Through survey an attempt was made to identify then best practices followed by the company and their developments during the research period. The results of the survey part of the study revealed that cash management practices changed significantly during the research period.

Generally the survey evidence showed that firms have achieved significant technological progress (improving systems and methods) and significant behavioral changes (increasing professionalism) concerning cash management practices during the research period, referring to increasing opportunities for more effective cash management operations.

The final conclusion is that in future more attention should be devoted to improve the cash management process. This study presents some aspects which may help.

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