

A STUDY ON IMPACT OF CASH MANAGEMENT OF FIRM PROFITABILITY WITH REFERENCE TO SHARDLOW INDIA LTD COMPANY

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

By

ANBARASAN.S

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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



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **ANBARASAN.S 41410041** who carried out the project entitled "**A STUDY ON IMPACT OF CASH MANAGEMENT OF FIRM PROFITABILITY WITH REFERENCE TO SHARDLOW INDIA LTD COMPANY**" under my supervision from

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25.04.2023

TO WHOMSOEVER IT MY CONCERN

This is certify that Mr. ANBARASAN. S, Reg No. 41410018, MBA student from Sathyabama Institute of Science and Technology, Chennai - 600 119 has successfully complete his project work from the period (01.01.2023 to 25.04.2023). During the project work period, we have noticed that he has shown keen interest in his work and was also regular in attendance.

We wish him every success in life.

Yours Sincerely
For SHARDLOW INDIA LIMITED

J. Thiagaraj

for Head - HR

DECLARATION

1. I **ANBARASAN.S (41410018)** hereby declare that the Project Report entitled “**A STUDY ON IMPACT OF CASH MANAGEMENT OF FIRM PROFITABILITY WITH REFERENCE TO SHARDLOW INDIA LTD COMPANY**” done by me under the guidance of **Dr.seethal** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE: 05/05/2023



PLACE: Chennai

ANBARASAN.

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ANBARASAN.S

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ABSTRACT

The project titled “A Study on Impact of cash Management on firm profitability for Shardlow India” deals with the movement of money into or out of a business, project, or financial product. It is usually measured during a specified, finite period of time. The need for Cash to run the day-to-day business activities cannot be overemphasized. One can hardly find a business firm, which does not require any amount of Cash. Indeed, firms differ in their requirements of the Cash.

A firm should aim at maximizing the wealth of its shareholders. In its endeavor to do so, a firm should earn sufficient return from its operation. Earning a steady amount of profit requires successful sales activity. The firm has to invest enough funds in current asset for generating sales. Current asset are needed because sales do not convert into cash instantaneously. There is always an operating cycle involved in the conversion of sales into cash.

The objectives are to analyze the Impact of cash Management on firm profitability and to determine efficiency in cash, inventories, debtors and creditors. Further, to understand the liquidity and profitability position of the firm. These objectives are achieved by using ratio analysis and then arriving at conclusions, which are important to understand the efficiency / inefficiency of Cash.

It was noticed in the study that the company had utilized its Cash efficiently and can also try to get more effective values by working on it. The cash required to meet out the current liabilities is maintained at a normal level that shows the company follows an average policy.

CHAPTER I

Introduction:

Impact of cash Management on firm profitability is the corporate process of collecting and managing cash, as well as using it for short-term investing. It is a key component of a company's financial stability and solvency. Corporate treasurers or business managers are frequently responsible for overall Impact of cash Management on firm profitability and related responsibilities to remain solvent.

Cash flow is the movement of money in to and out of a business. Inflows—moneys coming in—typically arrive in the form of customer payments; bank loans are also inflows. Outflows—moneys leaving the business—are generally expenses, including payments on purchases, overhead, and loan payments.

To manage cash flow means to take an active approach in determining how this process of money moving in and out of the business plays out. The purpose of this project is to provide an overview of the cash-flow management process. Future articles will discuss specific aspects in greater detail.

A cash flow statement provides information about the changes in cash and cash equivalents of a business by classifying cash flows into operating, investing and financing activities. It is a key report to be prepared for each accounting period for which financial statements are presented by an enterprise.

Monitoring the cash situation of any business is the key. The income statement would reflect the profits but does not give any indication of the cash components. The important information of what the business has been doing with the cash is provided by the cash flow statement. Like the other financial statements, the cash flow statement is also usually drawn up annually, but can be drawn up more often. It is noteworthy that cash flow statement covers the flows of cash over a period of time (unlike the balance sheet that provides a snapshot of the business at a particular date). Also, the cash flow statement can be drawn up in a budget form and later compared to actual figures.

Objectives of preparing Cash Flow Statement

- Cash flow statement shows inflow and outflow of cash and cash equivalents from various activities of a company during a specific period under the main heads i.e., operating activities, investing activities and financing activities.
- Information through the Cash Flow statement is useful in assessing the ability of any enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize those cash flows.
- Taking economic decisions requires an evaluation of the ability of an enterprise to generate cash and cash equivalents, which is provided by the cash flow statement

Cash and cash equivalents generally consist of the following:

- Cash in hand
- Cash at bank
- Short term investments that are highly liquid
- Bank overdrafts comprise an integral element of the organization's treasury management

CLASSIFICATION OF ACTIVITIES:

Cash flow activities are to be classified into three categories :This is done to show separately the cash flows generated / used by these activities, thereby helping to assess the impact of these activities on the financial position and cash and cash equivalents of an enterprise.

- Operating activities
- Investing activities
- Financing activities

Cash from Operating Activities:

Operating activities are the activities that comprise of the primary / main activities of an enterprise during an accounting period. For example, for a garment manufacturing company, operating activities include procurement of raw material, sale of garments, incurrence of

manufacturing expenses, etc. These are the principal revenue generating activities of the enterprise.

Profit before tax as presented in the income statement could be used as a starting point to calculate the cash flows from operating activities.

Cash Inflows from operating activities:

- Cash receipts from sale of goods and rendering services.
- Cash receipts from fees, royalties, commissions and other revenues.

Cash Outflows from operating activities:

- Cash payments to suppliers for goods and services.
- Cash payments of income taxes unless they can be specifically identified with financing and investing activities.

Following adjustments are required to be made to the profit before tax to arrive at the cash flow from operations:

- Elimination of non cash expenses (e.g. depreciation, amortization, impairment losses, bad debts written off, etc)
- Removal of expenses to be classified elsewhere in the cash flow statement (e.g. interest expense should be classified under financing activities)
- Removal of income to be presented elsewhere in the cash flow statement (e.g. dividend income and interest income should be classified under investing activities unless in case of for example an investment bank)
- Elimination of non cash income (e.g. gain on revaluation of investments)

The amount of cash from operations indicates the internal solvency level of the company. It is a key indicator of the extent to which the operations of the enterprise have generated sufficient cash flows to maintain its operating potential.

Cash from Investing Activities:

Cash flow from investing activities includes the movement in cash flows owing to the purchase and sale of assets. It relates to purchase and sale of long-term assets or fixed assets such as machinery, furniture, land and building, etc.

Cash Outflows from investing activities

- Cash payments to acquire fixed assets including intangibles and capitalized R&D.
- Cash advances and loans made to third party (other than advances and loans made by a financial enterprise wherein it is operating activities).
- Cash payments to acquire shares, warrants or debt instruments of other enterprises other than the instruments those held for trading purposes.

Cash Inflows from investing activities

- Cash receipt from disposal of fixed assets including intangibles.
- Cash receipt from the repayment of advances or loans made to third parties (except in case of financial enterprise).
- Dividend received from investments in other enterprises.
- Cash receipt from disposal of shares, warrants or debt instruments of other enterprises except those held for trading purposes.

Cash from Financing Activities:

It includes financing activities related to long-term funds or capital of an enterprise. Financing activities are activities that result in changes in the size and composition of the owners' capital and borrowings of the enterprise.

e.g., cash proceeds from issue of equity shares, debentures, raising long-term loans, repayment of bank loans, etc.

Cash Inflows from financing activities

- Cash proceeds from issuing shares (equity / preference).
- Cash proceeds from issuing debentures, loans, bonds and other short/ long-term borrowings.

Cash Outflows from financing activities:

- Cash repayments of amounts borrowed.
- Interest paid on debentures and long-term loans and advances.

- Dividends paid on equity and preference capital.

Methods of preparing the Cash Flow Statements

Operating activities are the main source of revenues and expenditures, thereby cash flow from the same needs to be ascertained. The cash flow can be reported through two ways:

Direct method that discloses the major classes of gross cash receipts and cash payments and

Indirect method that has the net profit or loss adjusted for effects of (1) transactions of a non-cash nature, (2) any deferrals or accruals of past/future operating cash receipts and (3) items of income or expenses associated with investing or financing cash flows.

DIRECT METHOD:

In the direct method, the major heads of cash inflows and outflows (such as cash received from trade receivables, employee benefits, expenses paid, etc.) are to be considered.

As the different line items are recorded on accrual basis in statement of profit and loss, certain adjustments are to be made to convert them into cash basis such as the following:

1. Cash receipts from customers = Revenue from operations + Trade receivables in the beginning – Trade receivables in the end.
2. Cash payments to suppliers = Purchases + Trade Payables in the beginning – Trade Payables in the end.
3. Purchases = Cost of Revenue from Operations – Opening Inventory + Closing Inventory.
4. Cash expenses = Expenses on accrual basis + Prepaid expenses in the beginning and Outstanding expenses in the end – Prepaid expenses in the end and Outstanding expenses in the beginning.

INDIRECT METHOD:

Indirect method of ascertaining cash flow from operating activities begins with the amount of net profit/loss. This is so because statement of profit and loss incorporates the effects of all operating activities of an enterprise. However, Statement of Profit and Loss is prepared on accrual basis (and not on cash basis). Moreover, it also includes certain non-operating items such as interest paid, profit/loss on sale of fixed assets, etc.) and non-cash items (such as depreciation, goodwill to be written-off, etc. Therefore, it becomes necessary to adjust the amount of net profit/loss as shown by Statement of Profit and Loss for arriving at cash flows from operating activities.

Purpose & Importance of Cash Flow Statements

- Statement of cash flows provides important insights about the liquidity and solvency of a company which are vital for survival and growth of any organization.
- It enables analysts to use the information about historic cash flows for projections of future cash flows of an entity on which to base their economic decisions.
- By summarizing key changes in financial position during a period, cash flow statement serves to highlight priorities of management.
- Comparison of cash flows of different entities helps reveal the relative quality of their earnings since cash flow information is more objective as opposed to the financial performance reflected in income statement.

Advantages of Cash Flow Statement

- Cash Flow Statements help in knowing the liquidity / actual cash position of the company which funds flow and P&L are unable to specify.
- As the liquidity position is known, any shortfalls can be arranged for or excess can be used for the growth of the business
- Any discrepancy in the financial reporting can be gauged through the cash flow statement by comparing the cash position of both.
- Cash is the basis of all financial operations. Therefore, a projected cash flow statement will enable the management to plan and control the financial operations properly.
- Cash Flow analysis together with the ratio analysis helps measure the profitability and financial position of business.
- Cash flow statement helps in internal financial management as it is useful in formulation of financial plans.

Disadvantages of Cash Flow Statement

1.2 OBJECTIVE OF STUDY

PRIMARY OBJECTIVE

To study on Impact of cash Management on firm profitability with reference to
Shardlow India .

SECONDARY OBJECTIVE

- To analysis the basic concepts of cash management with refer to Shardlow
Indian Ltd company
- To evaluvate cash flow position of the firm
- To Study The Liquidity current cash position Net profit ratio

1.2 SCOPE OF STUDY

- Cash Management refers to a broad area of finance involving collection, handling and the usage of cash. It involves assessing market liquidity, cash flow and Payments.
- Study deals with the way Shardlow India manages their Cash & Liquidity with an intention to propose any changes that will positively impact the organization.
- Study will evaluate the best practices across the Forging / Manufacturing Industry and will share if any best practices can be adapted.
- There are many indicators involved in Cash management and they are Liquidity management, Liquidity & Cash Concentration Payments Services

1.3 NEED FOR THE STUDY:

- Cash Management refers to a broad area of finance involving collection, handling and the usage of cash. It involves assessing market liquidity, cash flow and Payments it deals with the various ratios imparted in the organization
- To Understanding the basic concepts of cash management will help to maximizing profitability by optimizing cash utilization. It also helps create provisions for future contingencies such as economic slowdown, bad debts, etc.

1.4 INDUSTRY PROFILE

Forging is a manufacturing process involving the shaping of a metal through hammering, pressing, or rolling. These compressive forces are delivered with a hammer or die. Forging is often categorized according to the temperature at which it is performed cold, warm, or hot forging. A wide range of metals can be forged. Typical metals used in forging include carbon steel, alloy steel, and stainless steel. Very soft metals such as aluminum, brass, and copper can also be forged. The forging process can produce parts with superb mechanical properties with minimum waste. The basic concept is that the original metal is plastically deformed to the desired geometric shape giving it higher fatigue resistance and strength. The process is economically sound with the ability to mass produce parts, and achieve specific mechanical properties in the finished product.

Forging has been practiced by smiths for thousands of years. At first, bronze and copper were the most common forged metals, in the Bronze Age later, as the ability to control temperature and the process of smelting iron was discovered, iron became the primary forged metal. Traditional products include kitchenware, hardware, hand tools, and edged weapons. The Industrial Revolution allowed forging to become a more efficient, mass-production process. Since then, forging has evolved along with advances in equipment, robotics, electronic controls, and automation. Forging is now a worldwide industry with modern forging facilities producing high-quality metal parts in a vast array of sizes, shapes, materials, and finishes.

FORGING METHODS

There are several forging methods with different capabilities and benefits. The more commonly used forging methods include the drop forging methods, as well as roll forging.

DROP FORGING

Drop forging derives its name from the process of dropping a hammer onto the metal to mold it into the shape of the die. The die refers to the surfaces that come into contact with the metal. There are two types of drop forging open-die and closed-die forging. Dies are typically flat in shape with some having distinctively shaped surfaces for specialized operations.

OPEN-DIE FORGING (SMITH FORGING)

Open-die forging is also known as smith forging. A hammer strikes and deforms a metal on a stationary anvil. In this type of forging, the metal is never completely confined in the dies—allowing it to flow except for the areas where it is in contact with the dies. It is the operator's responsibility to orient and position the metal to achieve the desired final shape. Flat dies are used, with some having specially shaped surfaces for specialized operations. Open-die forging is suitable for simple and large parts, as well as customized metal components

CLOSED-DIE FORGING (IMPRESSION-DIE)

Closed-die forging is also known as impression-die forging. The metal is placed in a die and attached to an anvil. The hammer is dropped onto the metal, causing it to flow and fill the die cavities. The hammer is timed to come into contact with the metal in quick succession on a scale of milliseconds. Excess metal is pushed out from the die cavities, resulting in flash. The flash cools faster than the rest of the material, making it stronger than the metal in the die. After forging, the flash is removed. In order for the metal to reach the final stage, it is moved through a series of cavities in a die:

1. **Edging impression (also known as fullering or bending)**

The first impression used to mold the metal into a rough shape.

2. **Blocking cavities**

The metal is worked into a shape that more closely resembles the final product. The metal is shaped with generous bends and fillets.

3. **Final impression cavity**

Final stage of finishing and detailing the metal into the desired shape.

ROLL FORGING

Roll forging consists of two cylindrical or semi-cylindrical horizontal rolls that deform a round or flat bar stock. This works to reduce its thickness and increase its length. This heated bar is inserted and passed between the two rolls—each containing one or more shaped grooves—and is progressively shaped as it is rolled through the machine. This process continues until the desired shape and size is achieved.

PRESS FORGING

Press forging uses a slow, continuous pressure or force, instead of the impact used in drop-hammer forging. The slower ram travel means that the deformation reaches deeper, so that the entire volume of the metal is uniformly affected. Contrastingly, in drop-hammer forging, the deformation is often only at the surface level while the metal's interior stays somewhat undeformed. By controlling the compression rate in press forging, the internal strain can also be controlled.

LOCATION 1	CHENNAI – SIMPSON ESTATE HUZURGARDENS,SEMBIAM
EMPLOYEES	DIRECT & INDIRECT 204
MANUFACTURING	FORGINGS CAPACITY – 7500 MT/ANNUM MACHINING CAPACITY – AXLE SHAFTCONNECTING ROD
LOCATION 2	HOSUR (DHARMAPURI) 32 KMS FROM BANGALORE
EMPLOYEES	DIRECT & INDIRECT 189
MANUFACTURING	FORGING CAPACITY – 7,000 MT FULLY MACHINEDCRANKSHAFT - 1,40,000 NOS.
SALES	RS.900 MILLIONS90000 FINISH M/C CRANKSHAFTS

1.5 PRODUCT PROFILE

Product Profile

- Shardlow Indian Ltd is engaged in manufacturing forging & machined crankshafts for Auto /

industrials Engines for over 40 years

- The company has also developed heavy and intricate forgings to meet the stringent

Requirement defence Railways and other General Engineering sectors

- The company has two fully equipped forging units integrated precision Die shop and heat-

treatment facilities in both the centres

- The machine shop has dedicated lines for manufacturing crankshafts that meet the

requirements of precision products of EURO-III standards Axle shafts and connecting rods

Automotive & diesel Engine Application

PLANT FACILITIES

Die Making facilities are available in both locations with Copy Milling Machines, EDM Spark erosion machines & State of the Art Makino make, CNC Vertical Machining centre Design Office equipped with unigraphics software for CAD/CAM operations with support facilities for study of material flow with simulation software.

MAJOR EQUIPMENTS

Induction Hardening Machines upto 250 KW/10 KHZ with Fillet Hardening facility. Crankshaft Grinders - Imported semi Automatic Machines with NC and CNC control of feeds and interfaced with Marposs Size Control equipments - Linear Dimensions control with DRO on Table movement.

PRODUCT PROFILE

CRANK SHAFT

A Crankshaft conversion related to crank is a mechanical part able to perform a between reciprocating motion reciprocating engine, it translates reciprocating motion of the piston into and rotational motion, whereas in a reciprocating compressor, it converts the rotational motion into a rotational motion. In between two motions, the crankshaft has "crank throws" or crankpins". reciprocating motion. In order to do the conversion Additional bearing surfaces whose axis is offset from that of the crank, to which the "big ends" of the connecting rods from each cylinder attach.

3 Cylinder Crankshaft line capacity of 48000 Nos. per annum. producing 3 Throw Crankshafts with a plant 4/6 Cylinder Crankshaft line- producing 6 Throw Crankshafts with a plant -capacity of 25000 Nos. per annum 6 Cylinder Crankshaft line producing 6 Throw Crankshaft with a plant capacity of 25000 Nos per annum. 4th Line for Machining 6 Cylinder Crankshaft for Hino Application with a Plant capacity of 36000 Nos per annum. General facilities common for all lines.

It is typically connected to a flywheel to reduce the pulsation characteristic of four-stroke cycle, and sometimes a torsional or vibrational damper at the opposite end, to reduce torsional vibrations often caused along the length of crankshaft by the cylinders farthest from the output end acting on the torsional elasticity.

CAM SHAFT

A cam shaft is a shaft to which a cam is fastened or of which a cam forms an integral part. In internal combustion engines with pistons, the camshaft is used to operate poppet valves. It then consists of a cylindrical rod running the length of the cylinder bank with a number of oblong lobes protruding from it, one for each valve.

AXLE SHAFT

An AXLE is a central shaft for a rotating wheel or gear. On wheeled vehicles, the axle may be fixed to the wheels, rotating with them, or fixed to the vehicle, with the wheels rotating with them, or fixed to the vehicle, with the wheels rotating around the axle. In the former case, bearing or bushings are provided at the mounting points where the axle is supported. In the latter case, a bearing or bushings are provided at the mounting points where the axle is supported. In the latter case, a central hole in the wheel to allow the wheel or gear to rotate around the axle. bearing or bushing sits inside a wheel. Sometimes, especially on bicycles, the latter type axle is referred to as a spindle. Process of the product the company purchases iron and steel from various suppliers and tests the irons and they cut into pieces and make them as crank shaft etc.

PRODUCT DEPARTMENTS

Forge shop.....	40%
Die shop.....	17%
Heat treatment.....	14%
Maintenance.....	12%
Fertiling.....	17%

VALUE STREAM MAPPING

Value stream mapping is a flowchart method to illustrate, analyse and improve the steps required to deliver a product or service. A key part of lean methodology, VSM reviews the flow of process steps and information from origin to delivery to the customer. As with other types of flowcharts, it uses a system of symbols to depict various work activities and information flows. VSM is especially useful to find and eliminate waste. Items are mapped as adding value or not adding value from the customer's standpoint, with the purpose of rooting out items that don't add value.

HEAT TREATING

Heat treating (or heat treatment) is a group of industrial and metalworking processes used to alter the physical, and sometimes chemical, properties of a material. The most common application is metallurgical. Heat treatments are also used in the manufacture of many other materials, such as glass. Heat treatment involves the use of heating or chilling, normally to extreme temperatures, to achieve a desired result such as hardening or softening of a material.

Facilities for Heat-Treatment of all Forgings for Normalising, Hardening and Tempering, Iso-Thermal Annealing etc are available in both locations with provision for use of Polymer/Oil/Water as quenching media

TIMING CONTROL

Pneumatic timers are used when you need to delay the air signal coming in or going out of your air component. The NVR Air Timer offers a combination of adjustable orifice and fixed flow, allowing transmission of a pneumatic signal after a fixed time period.

The presses are equipped with primary and clamping ram under their simultaneous action in a progressive tool is made forging.

IC 555 TIMER

The 555 timer IC is an integrated circuit (chip) used in a variety of timer, pulse generation, and oscillator applications. The 555 can be used to provide time delays, as an oscillator, and as a flip-flop element. Derivatives provide two (556) or four (558) timing circuits in one package.

Introduced in 1972 by Signetics, the 555 is still in widespread use due to its low price, ease of use, and stability. It is now made by many companies in the original bipolar and in low-power CMOS technologies. As of 2003, it was estimated that 1 billion units were manufactured every year. The 555 is the most popular integrated circuit ever manufactured.

SOLENOID VALVE

A solenoid is an electromechanical device in which the solenoid uses an electric current to generate a magnetic field and thereby operate a mechanism which regulates the opening of fluid flow in a valve.

Solenoid valves differ in the characteristics of the electric current they use, the strength of the magnetic field they generate, the mechanism they use to regulate the fluid, and the type and characteristics of fluid they control. The mechanism varies from linear action, plunger-type actuators to pivoted-armature actuators and rocker actuators. The valve can use a two-port design to regulate a flow or use a three or more port design to switch flows between ports. Multiple solenoid valves can be placed together on a manifold.

Solenoid valves are the most frequently used control elements in fluidics. Their tasks are to shut off, release, dose, distribute or mix fluids. They are found in many application areas. Solenoids offer fast and safe switching, high reliability, long service life, good medium compatibility of the materials used, low control power and compact design.

CAPACITOR

A capacitor is a passive two-terminal electronic component that stores electrical energy in an electric field. The effect of a capacitor is known as capacitance. While some capacitance exists between any two electrical conductors in proximity in a circuit, a capacitor is a component designed to add capacitance to a circuit. The capacitor was originally known as a condenser. The original name is still widely used in many languages, but not commonly in English.

The physical form and construction of practical capacitors vary widely and many capacitor types are in common use. Most capacitors contain at least two electrical conductors often in the form of metallic plates or surfaces separated by a dielectric medium. A conductor may be a foil, thin film, sintered bead of metal, or an electrolyte. The non conducting dielectric acts to increase the capacitor's charge capacity. Materials commonly used as dielectrics include glass, ceramic, plastic film, paper, mica, and oxide layers. Capacitors are widely used as parts of electrical circuits in many common electrical devices. Unlike a resistor, an ideal capacitor does not dissipate energy.

When two conductors experience a potential difference, for example, when a capacitor is attached across a battery, an electric field develops across the dielectric, causing a net positive charge to collect on one plate and net negative charge to collect on the other plate. No current actually flows through the dielectric. However, there is a flow of charge through the source circuit. If the condition is maintained sufficiently long, the current through the source circuit ceases. If a time-varying voltage is applied across the leads of the capacitor, the source experiences an ongoing current due to the charging and discharging cycles of the capacitor.

Capacitance is defined as the ratio of the electric charge on each conductor to the potential difference between them. The unit of capacitance in the International System of Units (SI) is the farad (F), defined as one coulomb per volt (1 C/V). Capacitance values of typical capacitors for use in general electronics range from about 1 picofarad (pF) (10^{-12} F) to about 1 millifarad (mF) (10^3 F).

The capacitance of a capacitor is proportional to the surface area of the plates (conductors) and inversely related to the gap between them. In practice, the dielectric between the plates passes a small amount of leakage current. It has an electric field strength limit, known as the breakdown voltage. The conductors and leads introduce an undesired inductance and resistance.

Capacitors are widely used in electronic circuits for blocking direct current while allowing alternating current to pass. In filter networks, they smooth the output of power supplies. In resonant circuits they tune radios to particular frequencies. In electric power transmission systems, they stabilize voltage and power flow. The property of energy storage in capacitors was exploited as dynamic memory in early digital computers.

SWITCH ACCESS

People with severe physical or cognitive impairment use one or more switches to access computers. A switch is an assistive technology device that replaces the need to use a computer keyboard or a mouse.

1.6 COMPANY PROFILE

SHARDLOW INDIA LIMITED

The company established in 1960 in technical and financial collaboration with AMBROSE SHARDLOW & CO. LTD., U.K., a leading manufacturer of forged and Machined Crankshafts was a unit of M/s. GKN Forgings, M/s British Steel Forgings, and M/s. UEF Ltd, over the years. Under the leadership of late Sri S.Ananthakrishnan, the Founder-Chairman of the group, Amalgamations ventured in to a number of manufacturing enterprises. Right after the Independence in 1947, the Group entered in to collaboration with overseas manufacturers as a carefully planned strategy to meet the imperatives of industrialization. Shardlow India was one such venture promoted by Simpson & Co Ltd in 1960 for manufacture of Forgings.

The Amalgamations Group, a conglomerate of 52 companies, is engaged in diverse range of activities like manufacture of Auto Components, Engines, Agricultural Implements, Plantations, Distribution, a variety of Service Industries and Exports. The Group has been able to forge technical collaborations with world leaders like Perkins Ltd., Massey Ferguson, A.E Group, GKN/UEF, Gould Inc., Clevite Corporation, Repco and LM Van Moppes. Yuasa Battery Company, NPR and Nippon Oils & Fats and DAIDO are the recent linkages in the group. SHARDLOW INDIA LIMITED is 40 years of OEM relationship, Focussed product Range, Technology and Experience, Unit of large automotive and Tractor Manufacturing Group, and Association with Leading UK Forging Group for 40 Year.

Vision

To Expand our reach to all industrial segments where forged components are used. For achieving this vision, we are constantly working towards developing the available facilities to meet the emerging market demands. These includes: Design, Forging, Heat Treatment, Post machining and assemblies.

Mission

Our Mission is deliver products to meet and exceed Customer expectations. It is our goal to gain customer confidence by meeting their needs and exceeding their expectations. We do this by maintaining Safe and participative work environment, High employee morale, Continuous improvement in all areas; waste reduction.

COMPANY MAIN FOCUS

- ☐ Strengthen relationship with UEF technologically and financially for mutualbenefits
- ☐ To effectively service niche opportunities
- ☐ To achieve committed relationship with selected OEM
- ☐ To intensity export of forgings and machined crankshaft
- ☐ Excellence in product a d process and capability in with almost customersatisfaction.
- ☐ Continues up graduation skill and capabilities in the company.
- ☐ Legal extension of activity with added value features.

ORGANIZATION CLIMATE

Organization is maintaining good rules and every workers are in care of their executives and mainly conductive relationship with the superiors. In the organization workers having high level of safety in their work. Organization is 24 X 7 working it has three shift only in production.

ORGANIZATION ENVIRONMENT

Organization environment congenial and conductive even workers birthdays are also mentioned in notice board in organization workers having pleasant and challenging environment and work. "Company morale is safety and quality".

SHARDLOW INDIA LIMITED Manufacturing Products are

CRANKSHAFTS	SINGLE THROW ANDMULTI CYLINDER UPTO 140 KG
CON RODS	8 KG – 48 KG – HAMMER FORGING
PISTON CROWN	30 KG
CAM SHAFTS	MULTI CYLINDER APPLICATION
AXLE SHAFTS	8 KG – 32 KG (UPSET)
PINION SHAFTS CLUSTER GEAR SHAFTS	UPTO 11 KG (UPSET)
STUB AXLES/STEERING KNUCKLES	UPTO 40 KG
AXLE BEAM	UPTO 75 KG
VALVE BODIES/VALVE STEM In Carbon, Alloy andStainless Steel to Customers specification	UPTO 120 KG
PRECISION PRODUCTS– PRESS FORGED	
CONNECTING RODS PROP SHAFT COMPONENTS	UPTO 3.5 KG
YOKES, CROSS	UPTO 4.5 KG
GEAR BLANKS	UPTO 5.0 KG

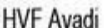
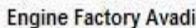
EXPORTS

- Products developed for Overseas Market
- Arrow Engine Company, U S A
- CIP Compressors, USA
- General Motors (Electromotive Division), U S A
- Crankshaft developed for Overseas After Market

SUITABLE FOR APPLICATIONS OF FOLLOWING ENGINES

- ☐ John Deere
- ☐ KHD/DEUTZ
- ☐ Mercedes Benz

CLIENT

			
Amul India	Axles India Limited	BEML	Tata Motors
			
India Pistons Ltd.	Tractors And Farm Equipment Ltd	L & T KOMATSU	Kirkoskar
			
SWARAJ	Simpson & Co. Ltd	ASHOK LEYLAND	PRECISION
			
HVF Avadi	Amalgamation Repco Ltd	Engine Factory Avadi	
			
DELPHI TVS	GREAVES COTTON LIMITED	SONALIKA INTERNATIONAL	
			
SAC ENGINEERING COMPONENTS PVT LTD	SAME DEUTZ-FAHR	SUNDARAM FASTENERS LTD	

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

In intention to discover the relationship between efficient capital management and firm's profitability (Shin & Soenen, 2004) used net-trade cycle (NTC) as a measure of working capital management. NTC is basically equal to the CCC whereby all three components are expressed as a percentage of sales. The reason by using NTC because it can be an easy device to estimate for additional financing needs with regard to working capital expressed as a function of the projected sales growth. This relationship is examined using correlation and regression analysis, by industry and working capital intensity. Using a Commutate sample of 58,985 firm years covering the period 1994-2018, in all cash, they found, a strong negative relation between the length of the firm's net-trade cycle and its profitability. In addition, shorter NTC are associated with higher risk-adjusted stock returns. In other word, (Shin & Soenen, 2004) suggest that one possible way the firm to create shareholder value is by reducing firm's NTC.

The study of (Shin & Soenen, 2004) consistent with later study on the same objective that done by (Deloof, 2004) by using sample of 1009 large Belgian non-financial firms for the period of 2003-2007. However, (Deloof, 2004) used trade credit policy and inventory policy are measured by number of days accounts receivable, accounts payable and inventories, and the cash conversion cycle as a comprehensive measure of working capital management. He founds a significant negative relation between gross operating income and the number of days accounts receivable, inventories and accounts payable. Thus, he suggests that managers can create value for their shareholders by reducing the number of day's accounts receivable and inventories to a reasonable minimum. He also suggests that less profitable firms wait longer to pay their bills.

In other study, (Lyrودي & Lazaridis, 2011) use food industry Greek to examined the cash conversion cycle (CCC) as a liquidity indicator of the firms and tries to determine its relationship with the current and the quick ratios, with its component variables, and investigates the implications of the CCC in terms of profitability, indebttness and firm size. The results of their study indicate that there is a significant positive relationship between

the cash conversion cycle and the traditional liquidity measures of current and quick ratios. The cash conversion cycle also positively related to the return on assets and the net profit margin but had no linear relationship with the leverage ratios. Conversely, the current and quick ratios had negative relationship with the debt to equity ratio, and a positive one with the times interest earned ratio. Finally, there is no difference between the liquidity ratios of large and small firms.

Working capital policy refers to the firm's policies regarding 1) target levels for each category of current operating assets and liabilities, and 2) how current assets will be financed. Generally good working capital policy (i.e. under conditions of certainty) is considered to be one in which holdings of cash, securities, inventories, fixed assets, and accounts payables are minimized. The level of accounts receivables should be used as a means of stimulating sales and other income. Previous literature on working capital management has found a negative association, overall, between level of working capital and operating performance as measured by operating returns and operating margins (Peterson and Rajan, 2005). Under conditions of certainty (i.e. sales, costs, lead times, payment periods, and so on, are known), firms have little reason to hold more working capital than a minimum level. Larger amounts would increase the level of operating assets, increase the need for external funding, resulting in lower return on assets and a lower return on equity, without any increase in profit.

However the picture changes when uncertainty (i.e. uncertain growth) is introduced (Brigham and Houston, 2001). Larger amounts of cash, securities, accounts receivables, marketable securities, inventories, and fixed assets will be needed to support increased sales. Required levels will be based on expected sales levels and expected order lead times. Additional holdings may be needed to enable the firm to deal with departures from the expected values. Further, firms will also attempt to increase their accounts payable balances as a means of financing increased levels of current operating assets. Firms which are in high growth stages will face the challenge of maintaining the necessary level of operating assets to support subsequent growth, while at the same time attempting to maintain adequate performance indicators.

This study focuses on understanding how IPO companies manage their working capital and other balance sheet items to support subsequent growth. This study supports

the existing literature on working capital and contributes to the existing literature by examining a sample of firms (i.e. recent IPO firms) which have a wider range of growth levels than non-IPO firms. Our study examines the impact of working capital management on the operating performance and growth of new public companies. The study also examines these relationships under three categories of growth (i.e. negative growth, moderate growth, and high growth). The study also examines other selected firm characteristics in light of working capital management: firm operating and financial risk, amount of debt, firm size, and industry.

An underlying theme of this study is that high growth certainly does not ensure high operating performance. Consistent with prior research (Peterson and Rajan, 2002) this study provides further evidence that good working capital management is positively associated with better operating performance. Higher levels of accounts receivable are associated with higher operating performance, in all three of the growth rate categories. The study also finds that maintaining control over levels of cash, securities, inventory, fixed assets, and accounts payables is associated with higher operating performance. We find that firms which are experiencing very high growth will hold higher levels of cash, securities, inventory, fixed assets, and accounts payable to support the high growth. The study suggests that these firms are sacrificing operating performance (accepting lower operating returns) to support the high growth. This, in turn, increases financial and operating risk for these firms. Perhaps IPO firms should stay more focused on their operating performance, while maintaining more moderate growth levels.

CHAPTER III

RESEARCH METHODOLOGY

3.1 RESEARCH

Research is an organized, systematic, database, critical, objective, scientific, inquiry or investigation into a specific problem, undertaken with the purpose of finding answer or solutions to it. Emory defines research as, “any organized inquiry designed and carried out to provide information for solving a problem”

3.2 RESEARCH DESIGN

Research design is specification of methods and procedures for acquiring the information needed to structure or to solve problem.

Research design is defined as, “the arrangement of condition for collection and analysis of the data in a manner that aims to combined relevant to the research purpose with economy in procedure”

Analytical research technique was adopted in this project. The researcher used analytical type of research to analyze the past data based on which certain future decision can be made.

3.3 SOURCE OF DATA

SECONDARY DATA

These data, which have already been collected, compiled and presented earlier by any agency, may be used for the purpose of investigation. Such data may be called secondary data. Secondary data may earlier be published data or unpublished data. Usually published data are available in annual report.

ANNUAL REPORT

It provides all the information about the company for the accounting period. This enables to understand the existing performance of the company.

3.4 TOOLS USED FOR THE STUDY

- i) Ratio analysis
- ii) Cash flow Statement.

RATIO ANALYSIS

The following ratios are used to calculate the liquidity.

$$\begin{aligned} \text{➤ Current ratio} &= \frac{\text{Current assets}}{\text{Current liabilities}} \end{aligned}$$

$$\begin{aligned} \text{➤ Cash position ratio} &= \frac{\text{Cash \& bank}}{\text{Current liabilities}} \end{aligned}$$

$$\begin{aligned} \text{➤ NET PROFIT RATIO} &= \frac{\text{NET PROFIT AFTER TAX} \times 100}{\text{NET SALES}} \end{aligned}$$

$$\text{➤ LIQUID RATIO} = \frac{\text{ABSOLUTE LIQUID ASSETS}}{\text{CURRENT LIABILITIES}}$$

CHAPTER IV

DATA ANALYSIS

1. CURRENT RATIO:

Current ratio is defined as the relationship between current asset and current liabilities. This is most widely used ratio. The standard ratio is 2:1; the current asset is twice than the current liabilities. If the ratio is less than 2 then difficulty may be experienced in payment of current liability and day-to-day operations of the business may suffer. If the ratio is higher than 2, it is very comfortable for creditors but for the concern, the funds would be locked up in this, which may be unproductive or idle.

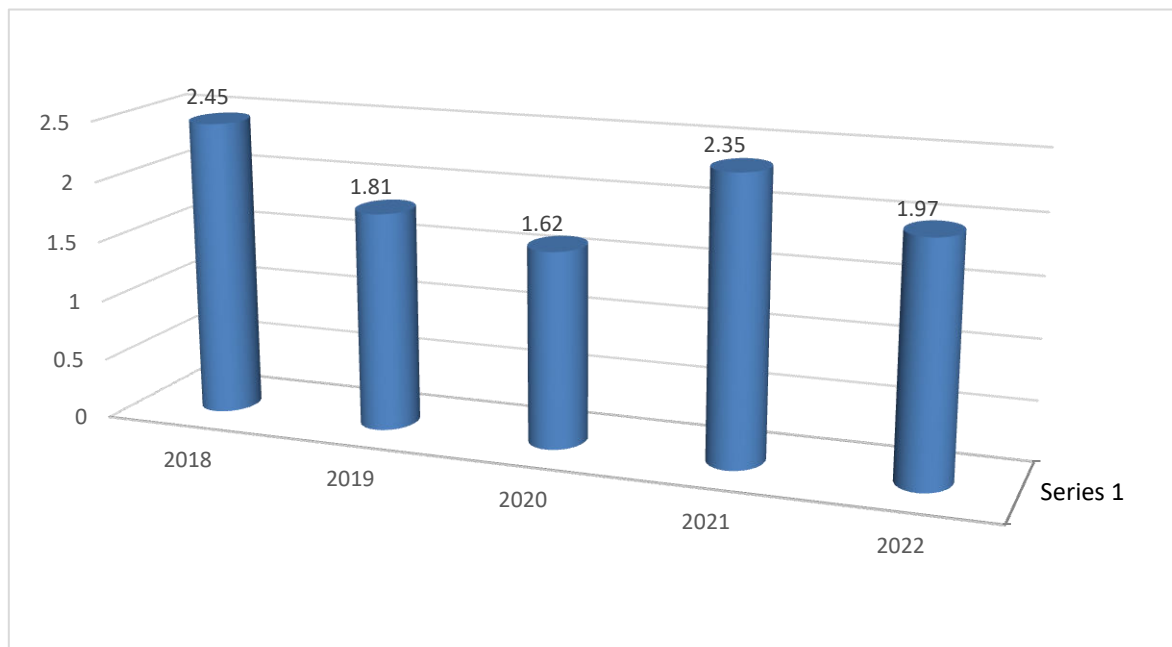
FORMULA:-

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

TABLE 4.1

S.NO	YEAR	CURRENT ASSET	CURRENT LIABILITY	CURRENT RATIO
1	2018	19,89,000	8,11,000	2.45
2	2019	18,81,000	10,40,000	1.81
3	2020	23,39,000	11,63,000	1.62
4	2021	25,50,000	10,84,000	2.35
5	2022	32,54,000	16,48,000	1.97

CHART 4.1
CURRENT RATIO



INTERPRETATIONS:

- The ideal current ratio is 2:1. here the current ratio declining over a period of time according to time series analysis. Since the healthy current ratio is 2:1 SHARDLOW INDIA reaches the healthy ratio in the year 2018 and 2021. Higher the current ratio, higher the short term liquidity. Here the position of the company is good when compared to previous year. This shows the positive position of the company.

2. CASH POSITION RATIO:

This ratio is also called 'absolute liquidity ratio' or 'super quick ratio'. This is a variation of quick ratio. This ratio is calculated when liquidity is highly restricted in terms of cash and cash equivalents. This ratio measures liquidity in terms of cash and near cash items and short – term current liabilities. Cash position ratio is calculated with the help of the following formula.

Formula:

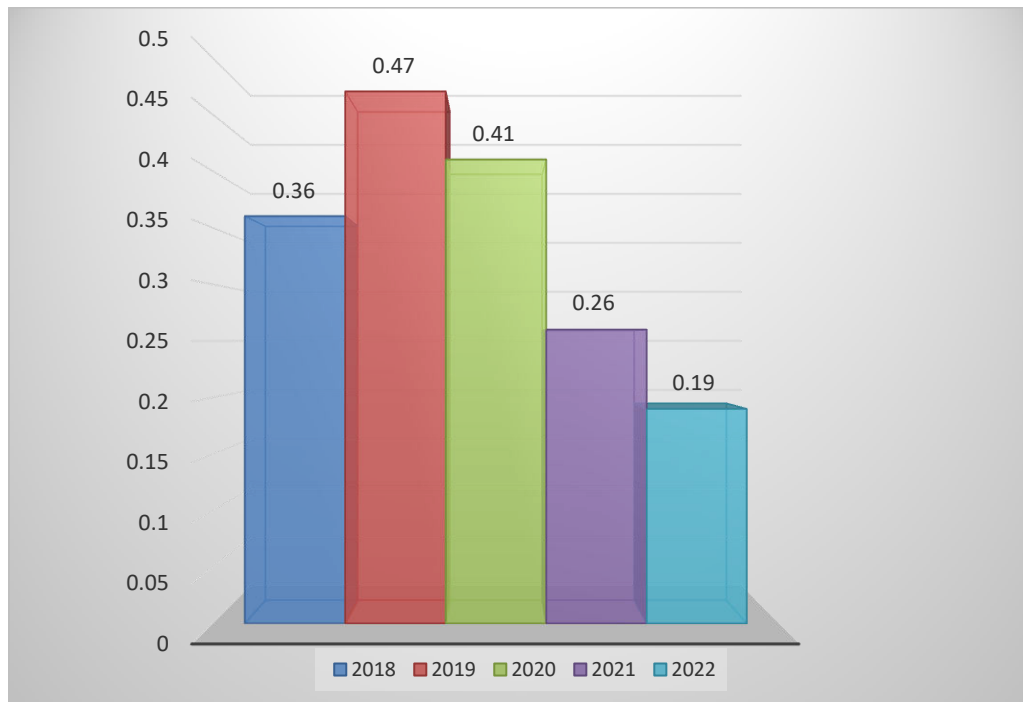
$$\text{Cash position ratio} = \frac{\text{Cash and bank balance + marketable securities}}{\text{Current Liabilities}}$$

TABLE 5.2

S.NO	YEAR	CASH BALANCE +SECURITIES	CURRENT LIABILITIES	CASH POSITION RATIO
1	2018	2,92,000	8,11,000	0.36
2	2019	4,99,000	10,40,000	0.47
3	2020	4,79,000	11,63,000	0.41
4	2021	2,80,000	10,84,000	0.26
5	2022	3,05,000	16,48,000	0.19

CHART 4.2

CASH POSITION RATIO



INTERPRETATION:

Since the cash position ratio shows that the organization's financial position is at the moderate stage. The result that I got is the type of oscillating manner which implies that the company should more concentrate on its cash position.

3. ABSOLUTE LIQUID RATIO:

Therefore, absolute liquidity ratio relates cash, bank and marketable securities to the current liabilities.

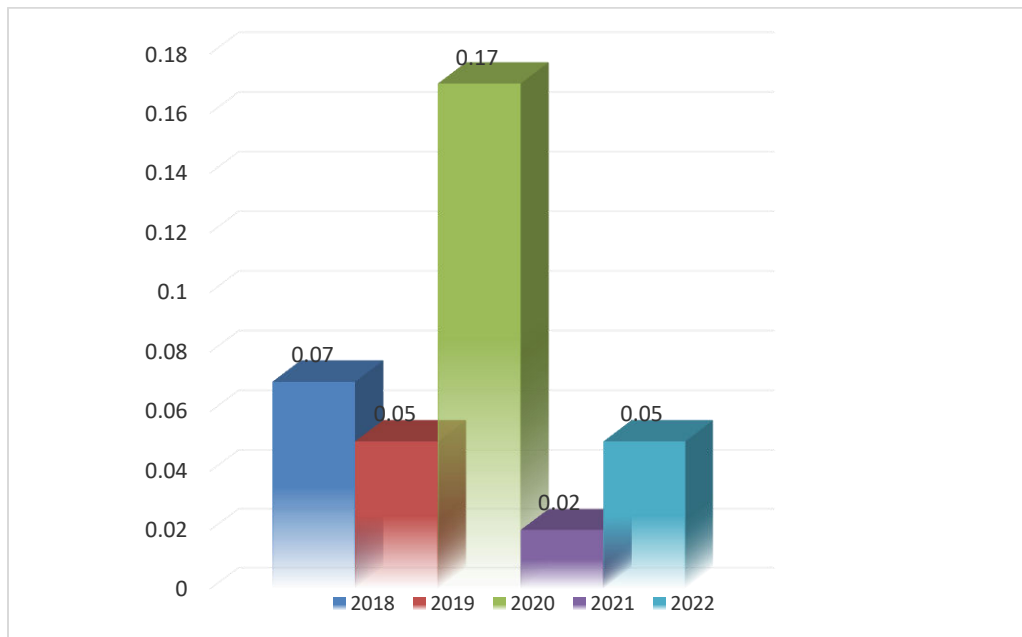
$$= (\text{ABSOLUTE LIQUID ASSET} / \text{CURRENT LIABILITIES})$$

TABLE 4.3:

S.NO	YEAR	ABSOLUTE LIQUID ASSET	CURRENT LIABILITIES	ABSOLUTE LIQUID RATIO
1	2018	53,000	8,11,000	0.07
2	2019	52,000	10,40,000	0.05
3	2020	2,02,000	11,63,000	0.17
4	2021	21,000	10,84,000	0.02
5	2022	74,000	16,48,000	0.05

CHART 4.3

ABSOLUTE LIQUID RATIO



INTERPRETATION:

From the above chart it is clearly seen that the company has a very low liquid assets when compared with the liabilities. The company has to take a corrective measure to overcome this situation.

4. NET PROFIT RATIO:

This ratio is called net profit to sales ratio. It is a measure of management's efficiency in operating the business successfully from the owner point of view. It indicates the return on shareholders' investments.

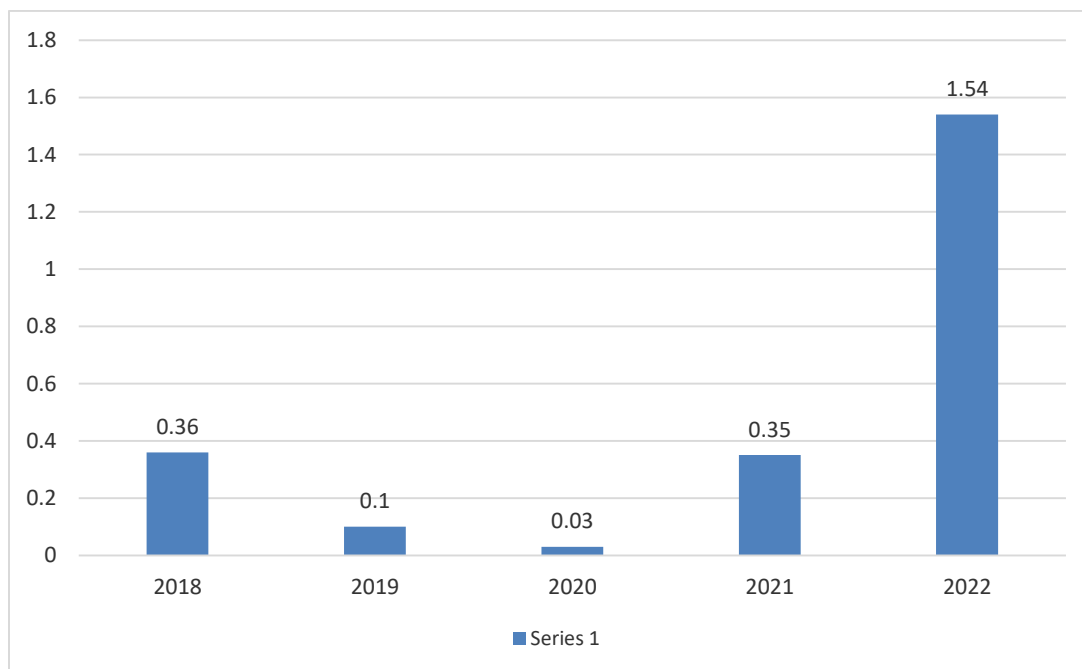
FORMULA

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

TABLE 4.7

S.NO	YEAR	NET PROFIT AFTER TAX	NET SALES	NET PROFIT RATIO =NPAT/NS
1	2018	9,86,600	27,72,200	0.36
2	2019	3,53,000	36,98,000	0.10
3	2020	1,20,600	35,93,000	0.03
4	2021	11,09,900	32,10,000	0.35
5	2022	7,03,800	4,56,500	1.54

CHART 4.4
NET PROFIT RATIO



INTERPRETATION:

This chart shows that the management's efficiency for the year 2022 has been increased in a higher extend when compared to the previous years.

5.11 CASH FLOW STATEMENT OF SHARDLOW INDIA FOR THE YEAR 2019

PARTICULARS	AMOUNT
CASH FLOW FROM OPERATING ACTIVITIES:	10,02,600
Profit/Loss before Taxation	85,000
ADD: Depreciation	9,17,600
	1,58,000
ADD: Finance Cost	10,75,600
	3,82,000
ADD: Decrease in inventories	(67,000)
LESS: Increase in Debtors	
	13,90,600
Cash generated from operations	22,000
LESS: Tax	
	13,68,600
NET CASH FLOW FROM OPERATING ACTIVITIES	

Cash flow from investing activities:	(1,08,000)
LESS: Purchase of assets	
	12,60,600
	(68,000)
LESS: Cash receipts from loans and advances	
	11,92,600
Cash flow from investing activities	
CASH FLOW FROM INVESTING ACTIVITIES:	
Proceeds from issue of shares	2,69,000
	9,22,600
NET INCREASE IN CASH	53,000
CASH AND CASH EQUIVALENT IN THE BEGINNING	
	8,69,600
CASH AND CASH EQUIVALENT AT THE END	

5.12 CASH FLOW STATEMENT OF SHARDLOW INDIA FOR THE YEAR 2020

PARTICULARS	AMOUNT
CASH FLOW FROM OPERATING ACTIVITIES:	
Profit/Loss before Taxation	1,50,600
ADD: Depreciation	71,000
ADD: Finance Cost	2,21,600
	83,000
	3,04,600
LESS: Increase in inventories	(4,54,000)
LESS: Increase in Debtors	(24,000)
Add: Decrease in Bank	1,70,000
Cash generated from operations	(3,400)
LESS: Tax	(13,000)
NET CASH FLOW FROM OPERATING ACTIVITIES	(16,400)
Cash flow from investing activities:	
ADD: Sale of assets	4,14,000

	3,97,600
LESS: Cash receipts from loans and advances	(99,000)
Cash flow from investing activities	2,98,600
CASH FLOW FROM INVESTING ACTIVITIES:	
Proceeds from issue of shares	3,90,000
NET INCREASE IN CASH	(91,400) 1,50,000
CASH AND CASH EQUIVALENT IN THE BEGINNING	58,600
CASH AND CASH EQUIVALENT AT THE END	

5.13 CASH FLOW STATEMENT OF SHARDLOW INDIA FOR THE YEAR 2021

PARTICULARS	AMOUNT
CASH FLOW FROM OPERATING ACTIVITIES:	
Profit/Loss before Taxation	11,31,900
ADD: Depreciation	79,000
	12,10,000
ADD: Finance Cost	82,000
	12,92,000
Add: Decrease in inventories	4,67,000
Add: Decrease in Debtors	57,000
Add: Decrease in cash	1,81,000
Cash generated from operations	19,97,000
LESS: Tax	(4000)
NET CASH FLOW FROM OPERATING ACTIVITIES	19,93,000
Cash flow from investing activities:	

Add: Sale of assets	1,75,000
LESS: Cash receipts from loans and advances	(5,38,000)
Cash flow from investing activities	(3,63,000)
	2,84,000
Proceeds from issue of shares	(79,000)
	(79,000)
	1,81,000
NET INCREASE IN CASH	
CASH AND CASH EQUIVALENT IN THE BEGINNING	
	1,02,000
CASH AND CASH EQUIVALENT AT THE END	

CALCULATION OF ACTUAL LIABILITY AND SOLVENCY POSITION

1. NET CASH FLOW TO CURRENT LIABILITY:

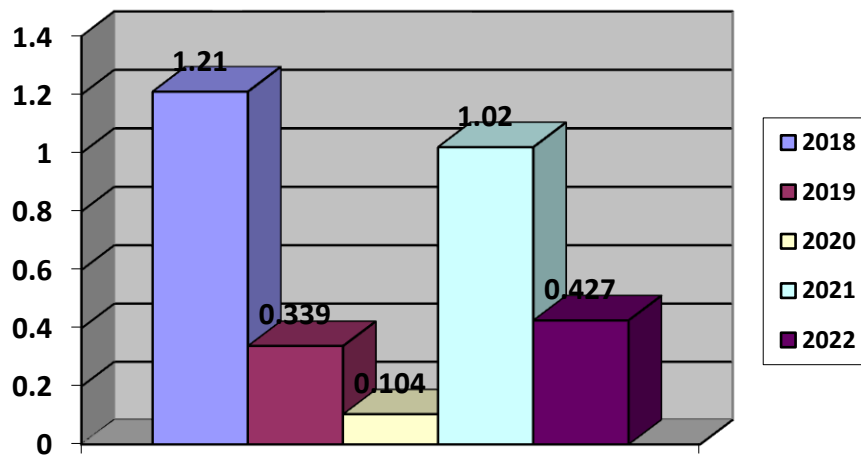
NET PROFIT + NON-CASH EXP

NET CASH FLOW TO

CURRENT LIABILITIES = -----

CURRENT LIABILITES

S.NO	YEAR	NET PROFIT + NON- CASH EXP	CURRENT LIABILITIES	NET CASH FLOW TO CURRENT LIABILITIES
1	2018	9,86,600	8,11,000	1.21
2	2019	3,53,000	10,40,000	0.339
3	2020	1,20,600	11,63,000	0.104
4	2021	11,09,900	10,84,000	1.02
5	2022	7,03,800	16,48,000	0.427



INFERENCE:

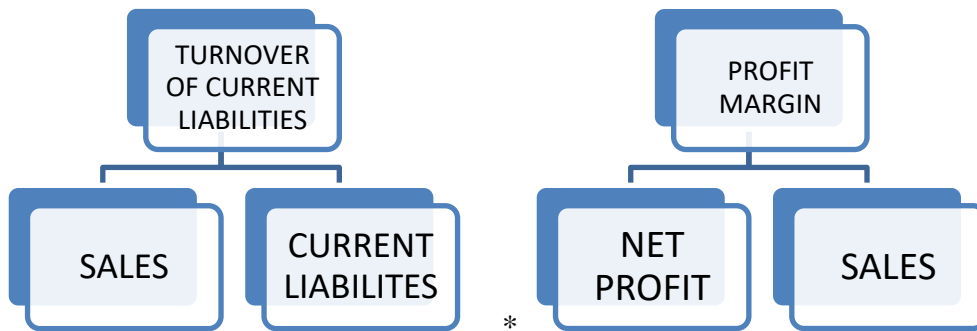
The higher the ratio, the greater the degree of liquidity and solvency of a firm and vice-versa. The company has shown a good position in the year 2018 and start declining for the following years. In the year 2023 the company has a lower degree of liquidity and solvency because of decrease in net profit and non-cash expenses.

1. .

1. COVERAGE OF CURRENT LIABILITIES

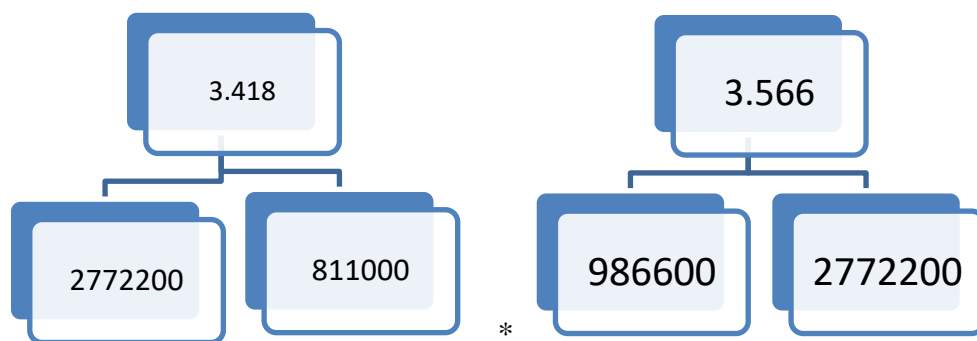
Coverage of current liabilities refers to the product of turnover of current liabilities and profit margin. The following formula is used to calculate coverage of current liabilities

COVERAGE OF CURRENT LIABILITIES=



CALCULATION FOR 5 YEARS:

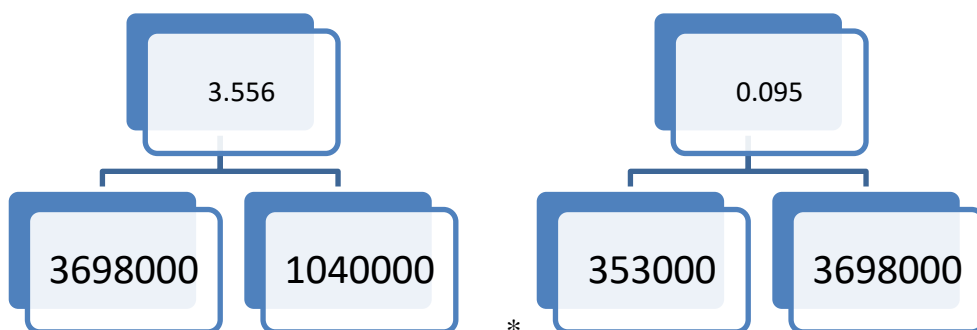
COVERAGE OF CURRENT LIABILITIES (2018)=



INFERENCE:

Coverage of current liabilities for the year 2018 is 12.190. This ratio refers to the product of turnover of current liabilities and profit margin.

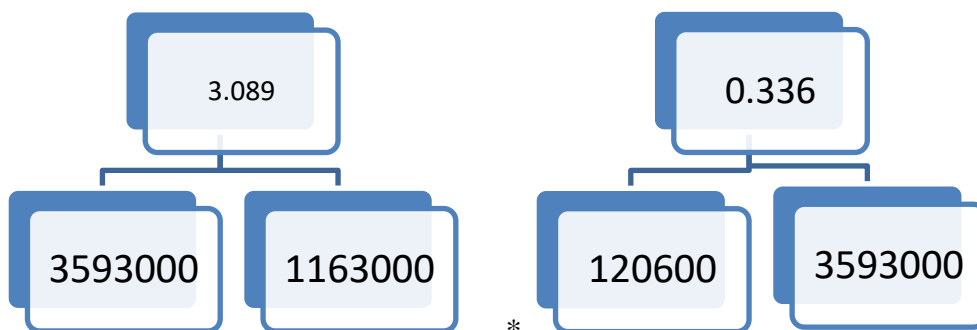
COVERAGE OF CURRENT LIABILITIES(2019)=



INFERENCE:

Coverage of current liabilities for the year 2019 is 0.339

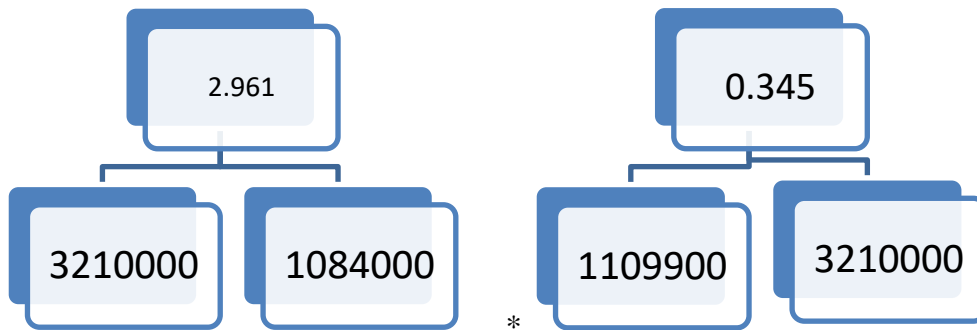
COVERAGE OF CURRENT LIABILITIES (2020)=



INFERENCE:

Coverage of current liabilities for the year 2020 is 1.0380

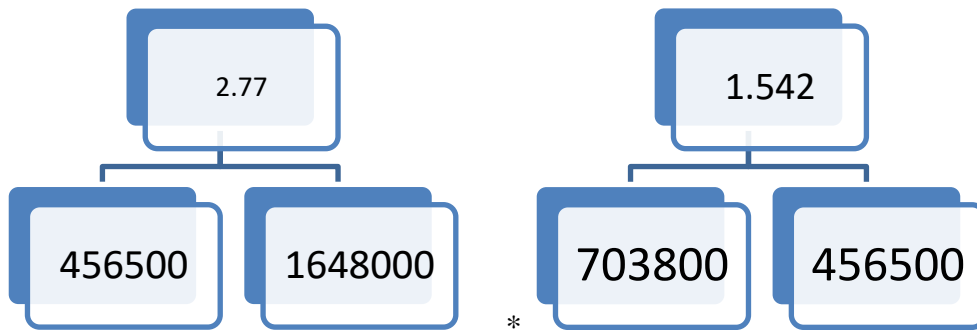
OVERAGE OF CURRENT LIABILITIES (2021)=



INFERENCE:

Coverage of current liabilities for the year 2021 is 1.022

COVERAGE OF CURRENT LIABILITIES (2022)=



INFERENCE:

Coverage of current liabilities for the year 2022 is 4.271

CHAPTER V

FINDINGS

1. The company is having sufficient Impact of cash Management on firm profitability
2. Current Assets are in an increasing position.
3. Loans & Funds are decreases by year by year, it means that the company is in profitable position
4. Current Assets are more than current Liabilities.
5. Current liabilities are increased by every year.
6. The suggested current ratio is 2:1. But it is not fixed as it varies from. Here in this cash the current ratio is more than 1 and it is enough to meet the current liability.
7. By creating the Profit and Loss statement it shows that the company has generated more revenue and its position is satisfactory.
8. It is to be observed that the company's net worth is decreases considerably. Through this increase in procurement of secured assets
9. The Increase in figures of sources and applications from the year 2020-2021 to the year 2021-2022 makes clear that the company is active in increasing or standardizing of its operations.

SUGGESTIONS:-

1. The manpower needs to be assessed in relation to production and sales. The excess of employees should be removed through various measures like VRS, retirement's and destructing the requirement of new employees.
2. There are various global challenges that are faced by every company in the present competitive environment and Shardlow India is not any exemption. To face the present global challenges the human resources department should be develop to improve various skills among the employees specially the motivational skills and having the regular training for the employees about various developments in the market.
3. The marketing department should be restructured on profit center and product line basis. The new marketing strategy should also make efforts to regain the agents in Germany and UK. They should also make efforts to regain the defiance and railways and find new markets for expansion.
4. There are various development taking in the industry to change it the company should develop a full-fledged research and development department for bringing technological change and improvement in design and process.
5. The policy of development new market with the accreditation of ISO 9001 and C.E. making for certain products should be continuous as it will help in development the confidence of foreign buyers.

6. The sundry debtors should be efficiently managed so that the outstanding are to be cleared at short intervals. The company should appoint on different areas on a success fees basis to collect the debtors.
7. The cost of holding inventory is too high so the inventory holding period is to be reduced and to build up inventory in anticipation of export orders from Russia and Germany.
8. The company has to make new joint venture with other companies in order to reduce the losses.
9. The current assets should be managed more effectively so as to avoid unnecessary blocking of capital that could be used for other purposes.
10. The Working Capital requirement is to be assessed based on the norms circulated by RBI for the machine tools industry.
11. The company has maintained proper records showing full particulars, quantitative details and solutions of fixed assets are indicated for major items in the register, the managements during the year has conducted a random verification in respect of fixed assets, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets.
12. The management has physically verified the stock of finished goods and work in progress at the end of the year.
13. In respect of service activities there is a reasonable system for recording receipts issues and consumption of materials and stores and collection of materials consumed to the relative jobs, commensurate with the size and nature of its business.

CONCLUSION

The company is performing exceptionally well due to the up wising in the global market followed by the domestic market. It is an upcoming one with good and innovative ideas and believed in improving all the areas of its operations. The company has a good liquidity position and does not delay its commitment in cash of both its creditors and debtors. The company being mostly dependent on the working capital facilities, it is maintaining very good relationship with their banks and their working capital management is well balanced.

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CONSOLIDATED BALANCE SHEET OF SHARDLOW INDIA

YEAR	2018	2019	2020	2021	2022
ASSETS					
CURRENT ASSETS:					
CASH	53,000	52,000	2,02,000	21,000	74,000
CASH AT BANK	2,39,000	4,47,000	2,77,000	2,59,000	2,31,000
STOCK	5,69,000	1,87,000	6,41,000	11,08,000	14,62,000
SUNDRY DEBTORS	11,28,000	11,95,000	12,19,000	11,62,000	14,87,000
TOTAL CURRENT ASSETS	19,89,000	18,81,000	23,39,000	25,50,000	32,54,000
FIXED ASSETS:					
GROSS BLOCK-DEPRECIATION	6,13,000	6,13,000	5,69,000	5,33,000	4,48,000
TOTAL FIXED ASSETS	6,13,000	6,13,000	5,69,000	5,33,000	4,48,000
TOTAL ASSETS	26,02,000	24,94,000	29,08,000	30,83,000	37,02,000
LIABILITIES					

CAPITAL:					
SHARE CAPITAL	1,40,000	1,40,000	1,40,000	1,40,000	9,50,000
SHARE APPLICATION AD..	9,00,000	6,31,000	10,21,000	7,37,000	71,000
RESERVES AND SURPLUS	-	-	-	-	1,40,000
CURRENT LIABILITIES:					
CREDITORS	7,61,000	9,60,000	3,63,000	10,41,000	11,53,000
PROVISIONS	50,000	80,000	8,00,000	43,000	3,61,000
OTHERS	-	-	-	-	1,34,000
LOAN FUND:					
SECURED LOAN	7,51,000	6,83,000	5,84,000	11,22,000	8,63,000
UNSECURED LOAN	-	-	-	-	30,000
TOTAL LIABILITIES	26,02,000	24,94,000	29,08,000	30,83,000	37,02,000

PROFIT AND LOSS ACCOUNT IN SHARDLOW INDIA

PARTICULARS	2018	2019	2020	2021	2022
REVENUE:					
GROSS RECEIPTS	46,51,000	49,54,000	45,76,000	54,51,000	45,77,300
MISCELLANEOUS INCOME	-	-	400	-	-
TOTAL REVENUE	46,51,000	49,54,000	45,76,400	54,51,000	45,77,300
EXPENDITURE:					
Cost of Goods Sold	27,72,200	36,98,000	35,93,000	32,10,000	40,56,500
Administrative Expenses	5,90,000	6,00,000	8,97,000	8,48,100	9,17,000
Financial Charges	1,67,000	1,58,000	83,000	82,000	1,67,200
Selling Expenses	37,200	38,000	83,000	1,00,000	80,400
Depreciation	82,000	85,000	71,000	79,000	82,000
TOTAL EXPENDITURE	36,48,400	45,79,000	47,27,000	43,19,100	53,03,100
PROFIT/(LOSS)	10,02,600	3,75,000	1,50,600	11,31,900	7,25,800
LESS: Provision for Tax	11,000	7000	13,000	4000	15,000
Provision for fringe Benefit Tax	5000	15000	17,000	18,000	7000
PROFIT AFTER TAX	9,86,600	3,53,000	1,20,600	11,09,900	7,03,800



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