

**“A STUDY ON CASH MANAGEMENT
OF FINE TECH ENTERPRISES,
CHENNAI”**

Submitted in partial fulfillment of the requirements for the award of

MASTER OF BUSINESS ADMINISTRATION

by

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Register No.40410111**



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**

APRIL 2022



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SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **NAVEEN ROJAR VICTOR 40410111** who carried out the project entitled “A STUDY ON CASH MANAGEMENT OF FINE TECH ENTERPRISES, CHENNAI”

” Under my supervision from January 2022 to March 2022.

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Submitted for Viva voce Examination held on _____

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DECLARATION

I **NAVEEN ROJAR VICTOR (40410111)** hereby declare that the Project Report entitled “A STUDY ON CASH MANAGEMENT OF FINE TECH ENTERPRISES, CHENNAI” done by me under the guidance of **DR.M. VELUMONI** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

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NAVEEN ROJAR VICTOR

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NAVEEN ROJAR VICTOR

ABSTRACT

The main objective is to confirm the cash position of Finetech Enterprises. The study is based on secondary data. The need for money to do daily activities cannot be overstated. There are few commercial companies that do not need money. The business should aim to maximize wealth. The company must invest sufficient funds in its current assets for sale. Your assets are needed because your sales are not immediately converted to cash. There is always a sales cycle to convert sales into cash.

The goal is to analyze cash management and determine the effectiveness of cash, inventory, debtor and creditor. To better understand the liquidity and profitability of the company. This goal is achieved by using ratio analysis and drawing important conclusions to understand the effectiveness / inefficiency of money. The company is taking steps to improve performance and focus on the region. The company has a weak financial capacity and lends money from the government and from outside. They must therefore take the necessary measures to increase working capital resources.

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CHAPTER 1
INTRODUCTION

1.1 INTRODUCTION:

Cash is the important current asset for the operations of the business. Cash is the basic input needed to keep the business running on a continuous basis; it is also the ultimate output expected to be realized by selling the service or product manufactured by the firm. The firm should keep sufficient cash, neither more nor less. Cash shortage will disrupt the firm's manufacturing operations while excessive cash will simply remain idle, without contributing anything towards the firm's profitability. Thus, a major function of the financial manager is to maintain a sound cash position.

Cash is the money which a firm can disburse immediately without any restriction. The term cash includes coins, currency and cheques held by the firm, and balances in its bank accounts. Sometimes near-cash items, such as marketable securities or bank time's deposits, are also included in cash. The basic characteristic of near-cash assets is that they can readily be converted into cash. Generally, when a firm has excess cash, it invests it in marketable securities. This kind of investment contributes some profit to the firm.

FACTS OF CASH MANAGEMENT

Cash management is concerned with the managing of (i) Cash flows into and out of the firm, (ii) Cash flows within the firm, and (iii) Cash balances held by the firm at a point of time by financing deficit or investing surplus cash. It can be represented by a cash management cycle. Sales generate cash which has to be disbursed out. The surplus cash has to be invested while deficit this cycle at a minimum cost. At the same time, it also seeks to achieve liquidity and control. Cash management assumes more importance than other current assets because cash is the most significant and the least productive asset that a firm's holds.

It is significant because it is used to pay the firm's obligations. However, cash is unproductive. Unlike fixed assets or inventories, it does not produce goods for sale. Therefore, the aim of cash management is to maintain adequate control over cash position to keep the firm sufficiently liquid and to use excess cash in some profitable way.

Cash management is also important because it is difficult to predict cash flows accurately, particularly the inflows, and there is no perfect coincidence between the

inflows and outflows of cash. During some periods, cash outflows will exceed cash inflows, because payments for taxes, dividends, or seasonal inventory buildup. At other times, cash inflow will be more than cash payments because there may be large cash sales and debtors may be realized in large sums promptly. Further, cash management is significant because cash constitutes the smallest portion of the total current assets, yet management's considerable time is devoted in managing it. In recent past, a number of innovations have been done in cash management techniques. An obvious aim of the firm these days is to manage its cash affairs in such a way as to keep cash balance at a minimum level and to invest the surplus cash in profitable investment opportunities. In order to resolve the uncertainty about cash flow prediction and lack of synchronization between cash receipts and payments, the firm should develop appropriate strategies for cash management. The firm should evolve strategies for cash management. The firm should evolve strategies regarding the following four facets of cash management.

CASH PLANNING

Cash inflows and outflows should be planned to project cash surplus or deficit for each period of the planning period. Cash budget should be prepared for this purpose.

MANAGEING THE CASH FLOWS

The firm should decide about the properly managed. The cash inflows should be accelerated while, as far as possible, the cash outflows should be decelerated.

OPTIMUM CASH LEVEL

The firm should decide about the appropriate level of cash balances. The cost of excess cash and danger of cash deficiency should be matched to determine the optimum level of cash balances.

INVESTING SURPLUS CASH

The surplus cash balances should be properly invested to earn profits. The firms should decide about the division of such cash balances between alternative short-term investment opportunities such as bank deposits, marketable securities, or inter-corporate lending.

1.2 REVIEW OF LITERATURE

1. **Matthew Abioro (2013)** this study examined empirically the impact of cash management on the performance of manufacturing companies in Nigeria-A study of Cadbury Nigeria Plc. The researcher used both secondary and primary data for data collection. For clear analysis, the study centres on two broad variables; the dependent variable which is performance and the independent variable which is Cash management. Two different hypotheses were formulated and tested using descriptive statistics and correlation coefficients techniques respectively in order to establish whether there is a significant relationship between cash management, performance and liquidity.
2. **Tamar Gamsakhurdia, (2016)** a cash flow management as one of the most important instruments to increase the company's value. The present study has as main objective to carry out a literature review regarding cash flow management policy and to withdraw the main aspects of managing in order to create an objective image upon this indicator. The contribution to current state of research is providing a literature review study, focused on a comparative approach. The results proved that there is no generally accepted definition and cash flow management method, which can be widely used by corporation for achieving the best result of financial performance.
3. **Philip L. Cooley** Cash forecasting, investing, and controlling are three basic elements of a cash management program. Surveys of Fortune 500 firms reveal large firms having considerable sophistication in dealing with these cash management activities. Small-business practices probably differ from those of large firms due to time constraints, financial limitations, or lack of awareness. The following article reports on the cash management practices of 122 small businesses engaged in petroleum marketing. Although some deficiencies in cash forecasting and investing are noted, the small companies appear quite sophisticated in controlling their cash flows.
4. **S.Praveen Kumar (2017)** A study on “EFFECTIVENESS OF CASH MANAGEMENT is one of the leading port Services companies, offering a wide range of portal services such as cargo handling services and also provide containers for importing and exporting the goods. The main objective of the study is to study about the cash management, which will prove essential for ascertaining past and present financial position of the study.

5. **Somnath Das (2017)** Cash is the life blood of the organizations and cash management is the important aspect of any organization. Corporate cash management boosts the companies from small to giant in the competitive environment. In this study, we highlighted three factors of a good cash management practices; namely cash conversion cycle, cash holding and credit score. Influence of one factor to other help organizations manage their corporate cash more appropriately. In this study, we collected data from Capitalize corporate data base of Mumbai over the period 2002-2011.
6. **Dhruba Lal Pandey (2019)** made the implementation of sound cash management practices is essential to ensure the profitability. The aim of the study was to identify the impact of cash management on profitability. This study was adopted correlational research design. Purposive sampling method was adopted while undertaking research. 80 samples were considered while collecting data. The sample structure consisted of small and medium manufacturing businesses in the Kirtipur Municipality. Owners of such enterprises were taken as sample because they can better understand the cash management. Data were collected using five point Likert Scale Questionnaires. Data were analysed using mean, correlation and regression models. Study found that Cash management has an insignificant but positive effect on profitability.
7. **Davidson et al** Money is an exchangeable medium. It must be unlimited for commercial purposes. Cash must meet the main requirements of acceptance and availability for immediate use when buying or paying debts. Bank deposits are common tests that apply to cash items. This is the process of planning, managing and calculating cash transactions and cash balances. We improve productivity by converting available cash directly or indirectly into expenses.
8. **Pandey, (2007)** Cash is an important current asset for commercial operations. Money is the main source of information necessary for the smooth running of your business. This is the expected end result of selling services or products manufactured by the company. The company must have enough money and nothing more. The lack of liquidity will hamper the company's production activities and excessive liquidity will simply remain unused. Without contributing to the profitability of Hue. Therefore, the main function of the financial manager is to maintain a healthy cash flow.

9. **Zimmerer et al (2008)** Cash management is the process of forecasting, collecting, spending, investing and planning a fund that a business must manage smoothly. Cash management is also needed because it is the most important but unproductive asset of SMEs. The company must have enough cash to fulfil its obligations. Otherwise, he is sentenced to bankruptcy. Creditors, employees, and lenders will have to pay over time, and cash is a vital means of exchange.
10. **Chimeras (2008)** However, in the unpredictable, some companies have excessive cash. This inactive fund has income potential that landlords do not know, which limits the growth of the business and reduces profitability. Investing in cash for a short time can increase the income of your business. With proper cash management, homeowners can properly manage the cash flow required for their business, avoid unnecessarily high cash balances, and increase revenues per dollar in the business

1.3 OBJECTIVES OF THE STUDY

- Investigate cash management techniques and the impact on the income statements.
- Evaluate the effectiveness of the cash management of the Fine tech.
- Evaluate the cash flow of the industry.
- Determine the link between bond management and profitability.

1.4 SCOPE OF THE STUDY

This research is primarily focused on cash management of the Fine tech enterprises, Chennai. Cash management is primarily an observation of the automobile industry and various procedures can improve the profitability and availability of liquidity in the industry. The industry retains liquidity and controls liquidity across the sector.

1.5 NEED OF THE STUDY

- This study was conducted to gain a working knowledge of the cash management and operations of Fine tech enterprises, Chennai.
- Cash forecast.
- Concentration of funds collected.
- Effective collection of inflows and outflows.

CHAPTER 2
INDUSTRY PROFILE AND PROFILE

2.1 INDUSTRY PROFILE

2.1.1 INDUSTRY HISTORY

In the year 1769, a French engineer by the name of Nicolas J. Cugnot invented the first automobile to run on roads. This automobile, in fact, was a self- powered, three-wheeled, military tractor that made the use of a steam engine. The range of the automobile, however, was very brief and at the most, it could only run at a stretch for fifteen minutes. In addition, these automobiles were not fit for the roads as the steam engines made them very heavy and large, and required ample starting time. Oliver Evans was the first to design a steam engine driven automobile in U.S.

A Scotsman, Robert Anderson, was the first to invent an electric carriage between 1832 and 1839. However, Thomas Davenport of the U.S.A. and Scotsman Robert Davidson were amongst the first to invent more applicable automobiles, making use of non- rechargeable electric batteries in 1842. Development of roads made travelling comfortable and as a result, the short ranged, electric battery driven automobiles were no more the best option for travelling over longer distances.

The Automobile Industry finally came of age with Henry Finetech Enterprises in 1914 for the bulk production of cars. This lead to the development of the industry and it first begun in the assembly lines of his car factory. The several methods adopted by Finetech Enterprises, made the new invention (that is, the car) popular amongst the rich as well as the masses.

According the History of Automobile Industry US, dominated the automobile markets around the globe with no notable competitors. However, after the end of the Second World War in 1945, the Automobile Industry of other technologically advanced nations such as Japan and certain European nations gained momentum and within a very short period, beginning in the early 1980s, the U.S Automobile Industry was flooded with foreign automobile companies, especially those of Japan and Germany. The current trends of the Global Automobile Industry reveal that in the developed countries the Automobile Industries are stagnating as a result of the drooping car markets, whereas the Automobile Industry in the developing nations, such as, India and Brazil, have been consistently registering higher growth rates every passing year for their flourishing domestic automobile markets.

2.1.2 THE WORLD AUTOMOBILE INDUSTRY IS TURNED TO THE DEVELOPING MARKETS.

With the developed markets almost saturated, the World Automobile Industry is now focused on the developing markets of South America and Asia, and Eastern Europe with special emphasis on BRIC (Brazil, Russia, India, and China).

As per the reports of the International Organization of Motor Vehicle Manufacturers or OICA(the association of the companies involved in World Automobile Industry), for the fiscal end in 2010, the automobile manufacturers in the U.S. have been overtaken by those in Japan, in terms of the total volume of automobile units manufactured worldwide.

However, the struggling General Motors of the U.S. still remain the worldwide leaders of the World Automobile Industry, ahead of the rapidly growing Toyota Motor Corporation of Japan, by a substantial margin. Measures to be adopted by global leaders of the World Automobile Industry. Several significant economic measures are being considered by the major players of the World Automobile Industry in order to make a smooth entry into the markets of the developing countries, and to make a name for themselves. The effective measures include:

- Reducing the selling prices of the automobiles manufactured in their factories
- Improving the levels of after-sales services to keep customers satisfied
- Opening manufacturing factories in the developing nations, to reduce effective costs of production as well as saving shipping charges, and enhancing prompt delivery of automobile units.

2.1.3 AUTOMOBILE INDUSTRY TRENDS

In keeping with the Automobile Industry Trends, the leading automobile manufacturers are turning to the Asian markets that appear set to grow immensely over the next decade. The automobile markets in the U.S., Europe and the Japan have almost matured as a result of saturation and appear set to decline through the next decade. In contrast, the automobile markets spread over the entire Asian continent (with the exception of Japan), are

constantly increasing in size and will be the destination for most of the globally leading automobile manufacturers.

The Automobile Industry Trends reveal that the emerging markets of the developing nations of Asia especially China, and India are backed by their huge population growth rate, to add to the growing national economy of these two nations.

The rapid growth of the national economy of the BRIC countries (including Brazil, Russia, India, and China) has enabled a growing section of the population of these countries to purchase automobiles. Global surveys conducted recently reveal that within the next ten years, these emerging automobile markets will account for nearly a whopping 90 percent of the global automobile sales growth. As a result of this, leading Automobile manufacturers of the world are setting up factories in the emerging markets, in order to serve the potential consumers better as well as reduce manufacturing and shipping costs. In addition, these arrangements are enabling the leading global automobile manufacturers to compete with the local automobile manufacturers, which were flourishing in the absence of quality competition.

The prosperity of the national economy is reflected in the rising per capital income of the developing nations. Therefore, increasing Gross Domestic Product and per capita income have raised the purchasing ability of the population that constitutes these emerging markets. As a growing percentage of the population in the developed nations age rapidly, in comparison to the rest of the world, these aging numbers necessitate automobiles to fit the physiological change of the world population.

2.1.4 THE EMERGING INDIA AUTOMOBILE MARKET

The India Automobile Market is a promising industrial sector that is growing immensely every passing year. The passenger cars are referred to, through the use of the word automobile. The whooping growth experienced by the Indian Automobile Market in the last financial year itself that is the financial year end in February, 2011 was very close to a 38 percent over the previous fiscal. This statistical fact is a glittering example of the potential of the growing

AUTOMOBILE INDUSTRY IN INDIA.

As per the survey conducted by the Society of Indian Automobile Manufacturers, the total number of automobiles manufactured by the Automobile Industry in India, throughout the financial year 2010-11, was very close to the 35.5 lakh (3.5 million) margin. The huge of number of automobiles manufactured by the Automobile Industry in India was an enormous growth upon the number of automobiles manufactured during the previous fiscal that ended in 2010. The total number of cars that were exported from India was very close to the 5.0 lakh (5.0 hundred thousand) margin, an encouraging sign for the Automobile Industry in India. The export of cars manufactured in India comprised nearly 33 percent of the total number of cars manufactured domestically by the Automobile Industry in India. The India Automobile Market looks set to prosper, largely due to the growing market for automobiles that is developing in India. In the financial year that ended in February, 2009, the Indian automobile markets were the fastest growing in the world, with the registered growth rate touching nearly 20 percent.

The Automobile Industry in India mainly comprises of the small car section, which enjoys nearly a 2/3rd market share of the entire market for automobiles in India. In this respect, the Indian markets are the largest in the world for small cars, behind Japan.

The Indian passenger car market which ranks amongst the largest in the world, is poised to become even larger and enter the top five passenger car markets in the world in the next decade.

2.1.5 INDIA AUTOMOBILE INDUSTRY

Following India's growing openness, the arrival of new and existing models, easy availability of finance at relatively low rate of interest and price discounts offered by the dealers and manufacturers all have stirred the demand for vehicles and a strong growth of the Indian automobile industry.

The data obtained from ministry of commerce and industry, shows high growth obtained since 2001- 02 in automobile production continuing in the first three quarters of the 2004-05. Annual growth was 16.0 per cent in April-December, 2004; the growth rate in 2003-04 was 15.1 per cent the automobile industry grew at a compound annual growth rate (CAGR) of 22 per cent between 1992 and 1997. With investment exceeding Rs. 50,000 crore, the turnover

of the automobile industry exceeded Rs. 59,518 crore in 2002-03. Including turnover of the auto-component sector, the automotive industry's turnover, which was above Rs. 84,000 crore in 2002-03, is estimated to have exceeded Rs.1,00,000 crore (USD 22. 74 billion) in 2003-04.

2.1.6 AUTOMOBILE DEALERS NETWORK IN INDIA

In terms of Car dealer networks and authorized service stations, Maruti leads the pack with Dealer networks and workshops across the country. The other leading automobile manufacturers are also trying to cope up and are opening their service stations and dealer workshops in all the metros and major cities of the country. Dealers offer varying kind of discount of finances who in turn pass it onto the customers in the form of reduced interest rates.

Major Manufacturers in Automobile Industry

- Maruti Udyog Ltd.
- General Motors India
- Finetech Enterprises India Ltd.
- Eicher Motors
- Bajaj Auto
- Daewoo Motors India
- Hero Motors
- Hindustan Motors
- Mahindra Motors
- Hyundai Motor India Ltd.
- Royal Enfield Motors
- Telco
- TVS Motors
- DC Designs

- Swaraj Mazda Ltd

Government has liberalized the norms for foreign investment and import of technology and that appears to have benefited the automobile sector. The production of total vehicles increased from 4.2 million in 2005-06 to 7.3 million in 2006-07.

The industry has adopted the global standards and this was manifested in the increasing exports of the sector. After a temporary slump during 2007- 2008 , such exports registered robust growth rates of well over 50 per cent in 2008-09 and 2009-10 each to exceed two and- a-half times the export figure for 2006-07.

2.1.7 THE KEY FACTORS BEHIND THIS UPSWING

Sales incentives, introduction of new models as well as variants coupled with easy availability of low cost finance with comfortable repayment options continued to drive demand and sales of automobiles during the first two quarters of the current year. The risk of an increase in the interest rates, the impact of delayed monsoons on rural demand, and increase in the costs of inputs such as steel are the key concerns for the players in the industry.

As the players continue to introduce new models and variants, the competition may intensify further. The ability of the players to contain costs and focus on exports will be critical for the performance of their respective companies. The auto component sector has also posted significant growth of 20 per cent in 2009-10, to achieve a sales turnover of Rs.30,640 crore (US\$ 6.7 billion). Further, there is a potential for higher growth due to outsourcing activities by global automobiles giants. Today, this sector has emerged as another sunrise sector.

2.2 COMPANY PROFILE

The history of Fine Tech Enterprises is the history of pipe fittings production in south India. In 1988 Fine Tech Enterprises became the number one PVC pipe fitting manufacture in south India it has received the best ISI mark for quality. In 1994 Fine Tech Enterprises began the production and marketing of flexible hoses under the brand name Fine Tech Enterprises. In 1998 taking advantage of the wings of globalization Fine Tech Enterprises forayed into the

global market. Growth being as the key strategy the visionary Mr.P.K.Paul nurtured Fine Tech Enterprises plastics into a corporate level. After the demise of Mr. P K Paul his eldest son Mr. Bobby Paul took the charge of the chariot. His brother Mr. Anto Paul also assists in the day to day activities of the company. Presently the group consists of various companies like Fine Tech Enterprises Plastics, Fine Tech Enterprises Flex, Shine Fine Tech Enterprises, Fine Tech Enterprises Exporters & Fine Polymers, A new group venture of Fine Tech Enterprises group of companies.

In the year 2000, to take on the challenge of globalization, Fine Tech Enterprises setup a core team and applied core ISO certification. In August 2001, Fine Tech Enterprises became the first PVC fittings manufactures in south India to receive the ISO 9002 certification. Fine Tech Enterprises plastic is the market leader in Kerala, Tamilnadu & the market challenger in Andhra Pradesh and Karnataka.

The company has made its presence significantly in Middle East market having a branch office at Dubai. It is a multi-core, multi-Product Company which has been deeply involved in the manufacture, distribution, sale, and installation and servicing to bring the customer satisfaction and social responsibilities. In the last one decade unparalleled growth was witnessed in Fine Tech Enterprises group of companies to emerge as a leader in the PVC fitting and to diversify into the manufacture of suction hoses, drainage fittings and PVC pipes. Fine Tech Enterprises plastics are a group of companies with a turnover of 30 crores per annum and with manpower strength of 450 employees including 50 high calibre professionals. It has a 32% growth due to the young and dynamic MD's expansions and growth plans. The company increased its production capacity over 50% in just two years incurring huge additional investments.

The company's operations include manufacturing of PVC fittings and allied products in clearly defined core business areas at home and overseas. The Fine Tech Enterprises group of companies is the single largest plastic industry in private sector over the years, Fine Tech Enterprises group has steadily developed in to a professionally managed company comprising of 8 manufacturing unit in production centers with a total installed capacity of 3850 meter per annum- divisions and effective centralize support services wholly dedicated to the most existing standards of quality and customer services, constantly motivated by the need to ensure total product satisfaction.

2.2.1 FINE TECH ENTERPRISES GROUP OF COMPANIES:

Fine Tech Enterprises Plastics: - Fine Tech Enterprises plastics, the parent company of the group was incorporated in 1983, and within these 21yrs it has grown up as one of the largest pipe fittings manufacturing companies in India and its products are approved by these authorities. Shine Fine Tech Enterprises: Shine Fine Tech Enterprises is another unit of Fine Tech Enterprises plastic, which is manufacturing pipe fitting. This has been Fine Tech Enterprises ted as another manufacturing fitting unit. Fine Tech Enterprises Flex: - Fine Tech Enterprises flex is totally a new venture, manufacturing flexible solution and delivery hoses ranging from ¾ to 4 sizes. As on today the above companies are making a combined sales turn over approximately worth of 30 crores per year.

Fine Tech Enterprises Polymers: -It is the unit of Fine Tech Enterprises plastics. It is manufacturing pipe fittings.

Fine Tech Enterprises Plus: -Fine Tech Enterprises plus is another unit of Fine Tech Enterprises plastics. It is also manufacturing pipe fittings. The different units had been given different names in terms of marketing.

FINE TECH ENTERPRISES: -This word is the combination of basic concepts and fundamentals believed by its founder and carried over across the years, it has sailed hitherto and for the future.

2.2.2 FINE TECH ENTERPRISES:

- Provider of basic requirement of all PVC related fittings, pipes, and allied products.
- Unstinted and continued supply and service since last 2 decades.
- Believer and Promoter of quality products than giving simple propaganda.
- The First PVC pipe fittings manufacturer in south India who is operational and reaching newer heights year after year.
- The First PVC pipe fittings manufacturer in south India to have received ISI mark.
- The First PVC pipe fittings manufacturer in south India to have received ISO mark.
- An entity who gave to its customer's qualitative products & value added services.
- To have received the best appreciation from its people.

BASIC INFORMATION

Nature of Business - Manufacturer

Additional Business - Service Provider

Total Number of Employees - 110 to 250 People

Year of Establishment- 2004

Legal Status of Firm - Partnership Firm

Annual Turnover - Rs. 50 Lakh - 1 Crore

OTHER PRODUCTS:

Car parts

Vehicle parts

EDM Sparking Job Works

Plastic Components

Automotive Plastic Moulds

CNC Wire Cutting Job Works

IDEAS INTO BUSINESS

Fine tech Enterprises Company was founded on June 16, 2004. When founded the Fine tech Enterprises Company was just one of 15 car parts in Chennai. But as it began to turn a profit within its first few months, it became clear that Raja Krishnan vision for the automotive industry was going to work and work in a big way. During the first five years of Fine tech Enterprises existence, Raja Krishnan, as chief engineer, directed a development and production program that started in a converted shop. Fine tech Enterprises Company 250 workers work in this company. Annual income of this company 1 Crore.

2.3 PRODUCT PROFILE:

Fine Tech Enterprises plastic product constitutes plumbing equipment materials such as PVC pipes, fittings, S.W.R fittings and PVC adhesive. Fine Tech Enterprises fitting is leading names fittings over all the states. FINE TECH ENTERPRISES PVC pipe fittings are manufactured from the finest grade PVC resin trusted and acclaimed all over the-country for quality. Due to high tensile strength and reliability used in industry, homes etc. FINE TECH ENTERPRISES fittings are available in above 10 shapes and measures vary from 20mm to 200mm. These are also available in 3 different colors. Injection modulated FINE TECH ENTERPRISES PVC pipe fittings confirm to ISI specification and assure totally safe, non-toxic water for all purposes.

FINE TECH ENTERPRISES-PLASTIC-PRODUCTS:

The company concentrates on the manufacturing of a wide range of PVC pipes and fittings and allied products. Their products are basically categorized as

Drainage fittings BS4514

Pressure Fittings BS4344

SWR Fittings

Flex section & Delivery Hose

Solvent cement

PVC pipes

Injection syringes

Plastic spare parts for Car

Sweet boxes

CHAPTER 3
RESEARCH METHODOLOGY

3.1 INTRODUCTION

Research may define as the systematic method of finding solutions to a problem. It gives a structure for the management process like decision making and planning in accordance with the data collection.

Methodology gives a true path to find solution to by the research in studying a problem with certain objective in view. Research methodology is a way to systematically solve the research problem. So the research methods, but also consider the logic behind the methods that are capable of being evaluated either by researcher himself or by others.

3.2 RESEARCH DESIGN

Research design is a description of facts and figures collectable from the authorities and the beneficiaries of the society. The officials and the beneficiaries of the society may provide facts and figures for study besides the latest five years of audit reports. The primary data will be the data collectable during the period of study which will be through observation and interview and the secondary data will be the articles and research papers that could be taken from the website.

3.3 SOURCES OF DATA COLLECTION

DATA COLLECTION

The present data is based on secondary data were obtained from the annual reports of The Company from 2016 – 2020.

3.3.1 PRIMARY DATA

It is specially designed to fulfill the data needs of the problem in hand. Primary data are those collected directly or which are first hand data and thus they are original in nature. Primary data could not be collected as all the discussions have been had with the staff of necessary statements for the analysis.

3.3.2 SECONDARY DATA

Secondary data are the readily available data that do not require the trouble of construction tools and administering them.

This study is based on secondary data. The following is auxiliary data.

1. Financial Statements
2. Reference works
3. Articles
4. Web

3.4 LIMITATION OF STUDY

This study has several limitations:

1. Data is collected for 5 years only.
2. Most financial data are kept secret.
3. Management did not allow researchers in each department.

CHAPTER 4
ANALYSIS AND INTERPRETATION OF DATA

4.1 CASH MANAGEMENT TECHNIQUES

4.1.1 BUDGETING

The budget is the cornerstone of sound financial planning. Budgeting is simply a process that tracks your monthly expenses and determines how you spend money. By creating monthly costs for spouses, you can find areas in which you can reduce or eliminate costs while preparing your budget.

4.1.2 MONITOR CASH FLOW REGULARLY

Maintain cash flow from the first and most important aspect of cash management. To help with this, create a cash budget that presents your finances in the short and long term. It tells you when and where you need it.

4.1.3 BILL PROMPTLY AND ACCURATELY

The faster an invoice is sent by mail, the faster the invoice will be paid. If company's shipments or services do not automatically issue invoices, set up weekly billing schedules to track them. In addition, we have always included payment due dates to encourage customers to pay quickly.

4.1.4 PAYMENT DELAYS TO SUPPLIER

To keep cash in your account for long as possible, wait for a payment to your providers as long as possible (without risking late fees). The only time it is an earlier payment option is if there is an incentive worthwhile, otherwise, stay with the wait.

4.1.5 USE THE AVAILABLE TECHNOLOGY

There are other professional accounting software solutions allow your finances to be cash flow worksheets from sites such as drop boxes or a reader. The advantage of these powerful keys is that you can access your finances anytime, anywhere.

4.2 CASH RATIO

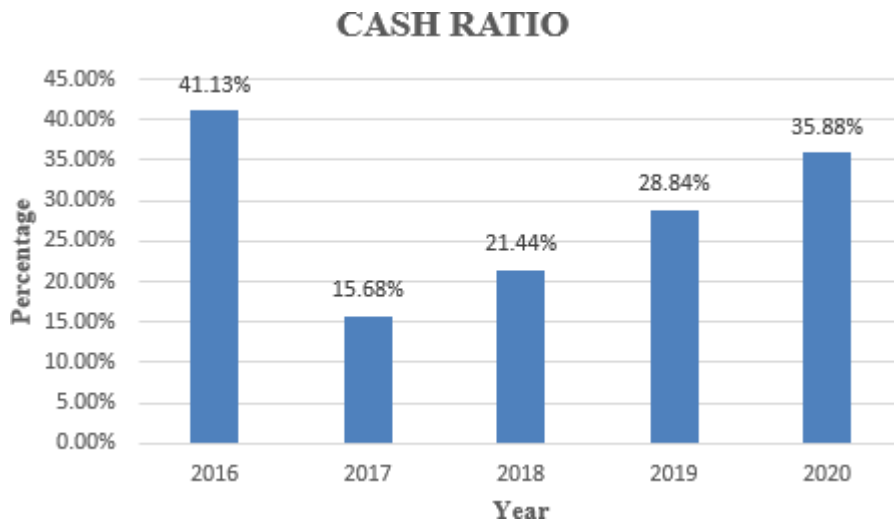
The cash ratio is the ratio of cash and cash equivalents to short-term liabilities of the Company. This is an extremely high liquidity ratio as it only compares cash and cash equivalents with current liabilities. Measure ability to repay your current debt using only cash and cash equivalents.

$$\text{CASH RATIO} = \text{CASH} / \text{CURRENT LIABILITY} * 100$$

4.2 TABLE SHOWING CASH RATIO

YEAR	CASH	CURRENT LIABILITY	CASH RATIO
2016	415228	1009502	41.13%
2017	205654	1311042	15.68%
2018	318196	1483706	21.44%
2019	565540	1959519	28.84%
2020	503763	1403920	35.88%

4.2 GRAPH SHOWING THE CASH RATIO IN FINANACIAL YEARS OF 2016-2020.



ANALYSIS AND INTERPRETATION:

As you can see in the chart above, the Cash ratio in 2016 was 41.13%, 15.68% in 2017, in 2018 was 21.44%, 28.84% in 2019 and the year-over-year fluctuation of 35.88 in 2020. The cash ratio in 2017 is very low at 15.68%.

4.3 CASH TO WORKING CAPITAL

The cash generating capital ratio measures the extent to which current liabilities can be hedged using cash and cash equivalents and current assets such as securities. This includes situations in which the company does not spend too much money on inventory and moves quickly to sales.

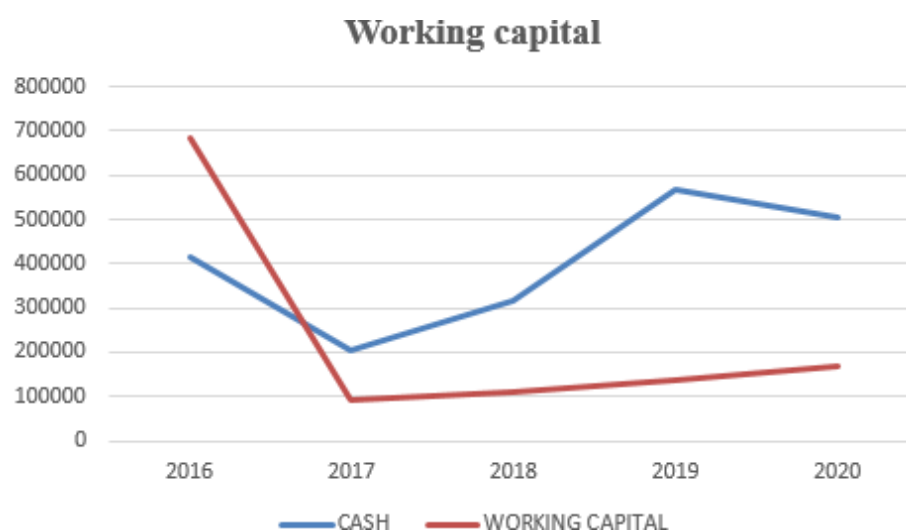
$$\text{Cash to working capital} = \frac{\text{Cash and Cash Equivalents}}{\text{Total Current Assets} - \text{Total Current Liabilities}}$$

$$\text{Working capital} = \text{Current Assets} - \text{Current Liability}$$

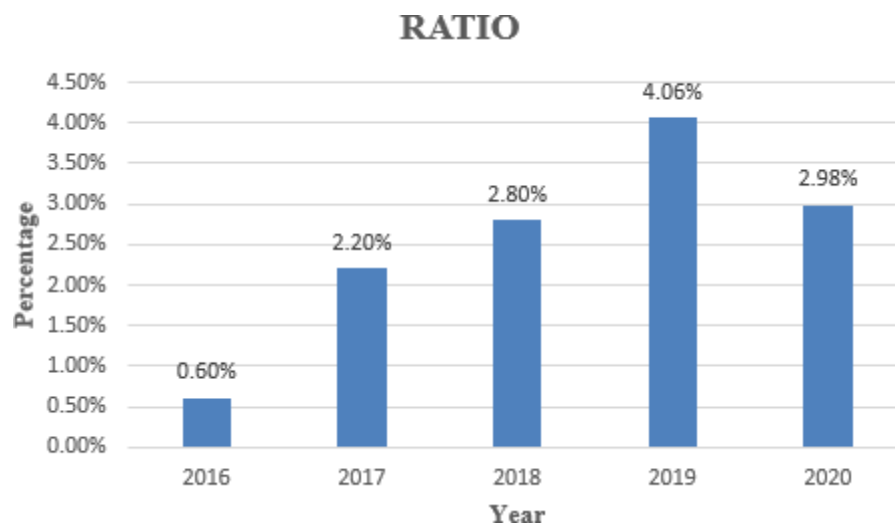
4.3 TABLE SHOWING CASH TO WORKING CAPITAL

YEAR	CASH	WORKING CAPITAL	RATIO
2016	415228	685533	0.60%
2017	205654	93085	2.2%
2018	318196	110085	2.80%
2019	565540	138543	4.06%
2020	503763	168678	2.98%

431 GRAPH SHOWING THE CASH AND WORKING CAPITAL RELATION IN FINANCIAL YEARS 2016,2017,2018,2019 AND 2020.



432 THE FOLLOWING GRAPH SHOWS THE RATIO OF CASH AND WORKING CAPITAL



ANALYSIS AND INTERPRETATION:

The graph above shows that the cash / working capital ratio for 2016 as 0.60, 2017 as 2.20, 2018 was 2.80 in 2019 is 4.06. In 2019, it increased to 4.06 and decreased to 2.98 in 2020, the lower the ratio.

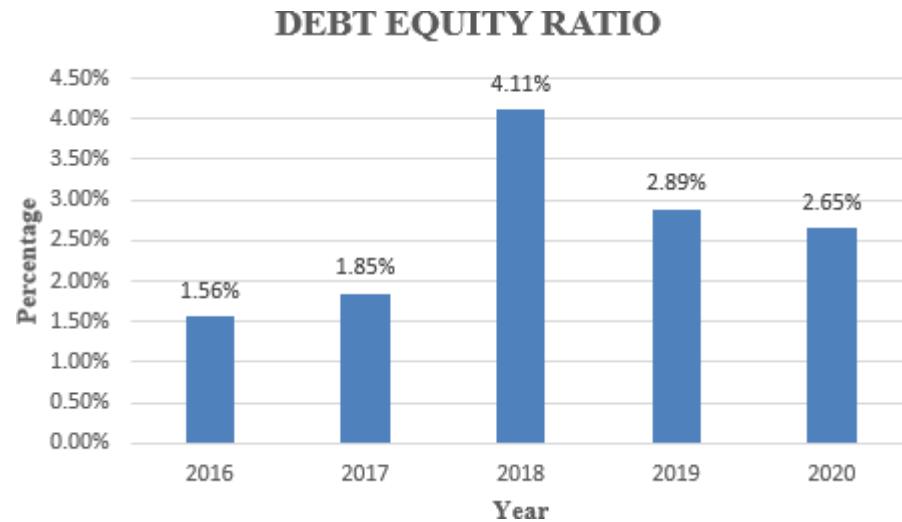
4.4 DEBT EQUITY RATIO

$$\text{Debt Equity Ratio} = \text{Total Liabilities} / \text{Shareholders Funds}$$

4.4 TABLE SHOWING DEBT EQUITY RATIO

YEAR	TOTAL LIABILITIES	SHAREHOLDERS' FUNDS	DEBT RATIO	EQUITY
2016	1794070	1146585	1.56%	
2017	2171297	1171785	1.85%	
2018	1111459	270529	4.11%	
2019	1289976	445853	2.89%	
2020	1314777	496728	2.65%	

4.4 GRAPH SHOWING THE CASH AND DEBT EQUITY RATIO MIN FINANCIAL YEARS 2016-2020.



ANALYSIS AND INTERPRETATION:

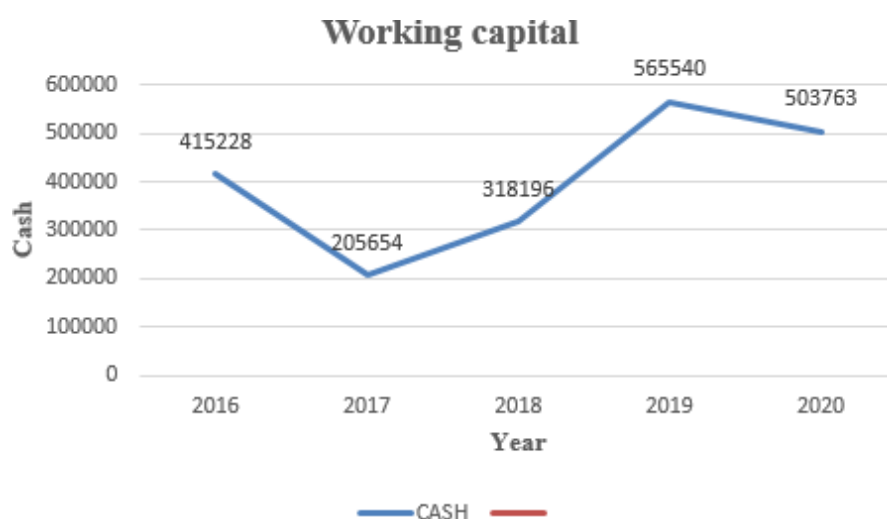
Fine tech Enterprises debt Equity Ratio for the year 2016 is 1.56, 2017 is 1.85, 2018 is 4.11, 2019 is 2.89 and in the year 2020 is 2.65. From the graph it is evident that debt equity turnover ratio of Fine Tech is decreasing. The decreasing in debt equity ratio of Fine tech means lower the debt ratio less the company has to worry in meeting its fixed obligations and also less dependent on shareholders and outsiders.

4.5 GROWTH OF CASH POSITION

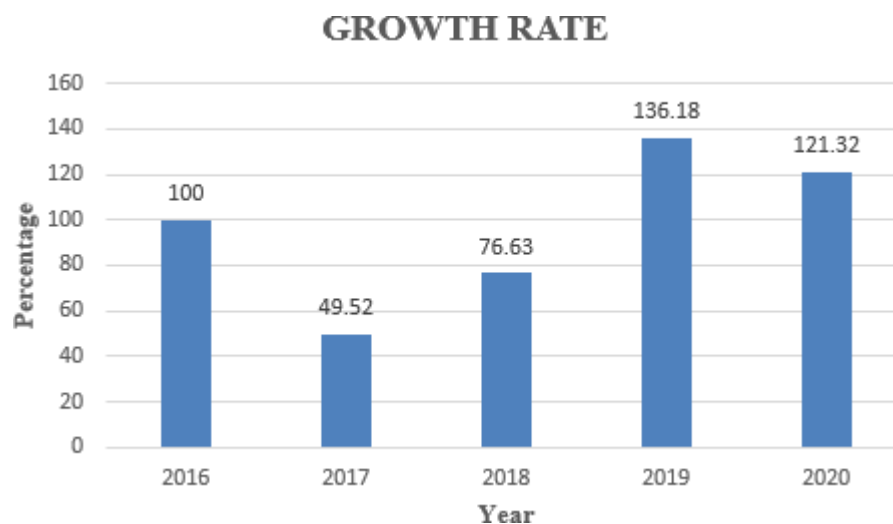
4.5 TABLE SHOWING GROWTH OF CASH POSITION

YEAR	AMOUNT	GROWTH RATE IN (%)
2016	415228	100
2017	205654	49.52
2018	318196	76.63
2019	565540	136.18
2020	503763	121.32

4.5.1 GRAPH SHOWING THE CASH POSITION IN FINANCIAL YEARS 2016 – 2020.



4.5.2 GRAPH SHOWING THE CASH POSITION IN FINANCIAL YEARS 2016 – 2020.



ANALYSIS AND INTERPRETATION:

As shown in the chart above and the graph above, the cash holdings decreases in 2017 compared with 2016 and the increase in cash holdings tends to increase expectations for 2019 compared to 2018. The growth rate for 2020 decrease to 121.32. In addition, it can be said that the increase in cash is favourable for the company.

4.6 CASH TO CURRENT ASSETS

The cash rate represents the portion of total current assets, including the most current assets, cash and cash equivalents, and securities of the Company.

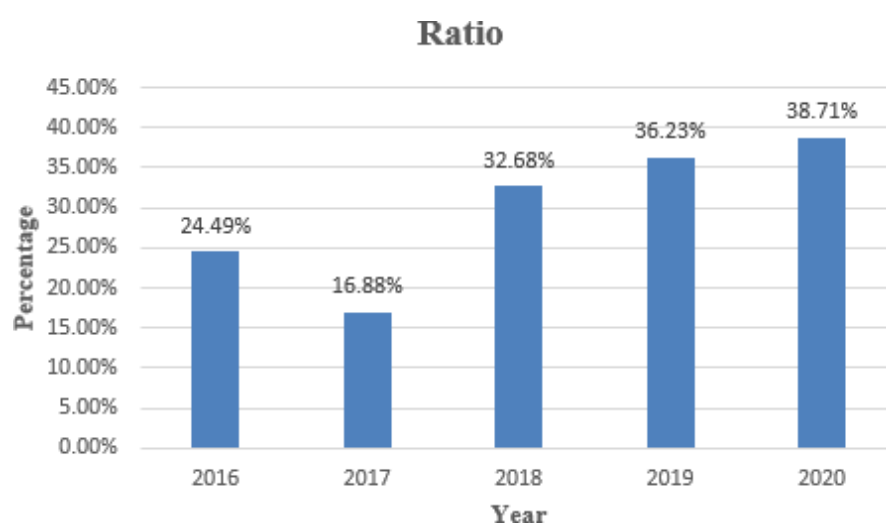
The ratio of cash and cash equals the present value of the securities and cash divided by the current liabilities of the Company. Cash ratios (also known as cash ratios) compare the amount of highly liquid assets (such as cash and securities) to the amount of current liabilities.

$$\text{Cash to Current Assets} = \text{Cash/Current Assets} \times 100$$

4.6 TABLE SHOWING CASH TO CURRENT ASSETS

YEAR	CASH	CURRENT ASSET	RATIO
2016	415228	1695035	24.49%
2017	205654	1217957	16.88%
2018	318196	973569	32.68%
2019	565540	1560920	36.23%
2020	503763	1301363	38.71%

4.6.1 GRAPH SHOWING THE CASH TO CURRENT ASSET RATIO IN FINANCIAL YEARS 2016-2020



ANALYSIS AND INTERPRETATION:

In the chart above, the ratio of liquid assets to liquid assets in 2016 is 24.49, in 2017 decreased to 16.88, then in 2018 increased to 32.68. It increased to 36.23 in 2019, to reach 38.71 in 2020. The above data show that the company's cash / present ratio fluctuates over time. The figure for 2017 is 16.88%, which is very low compared to other years.

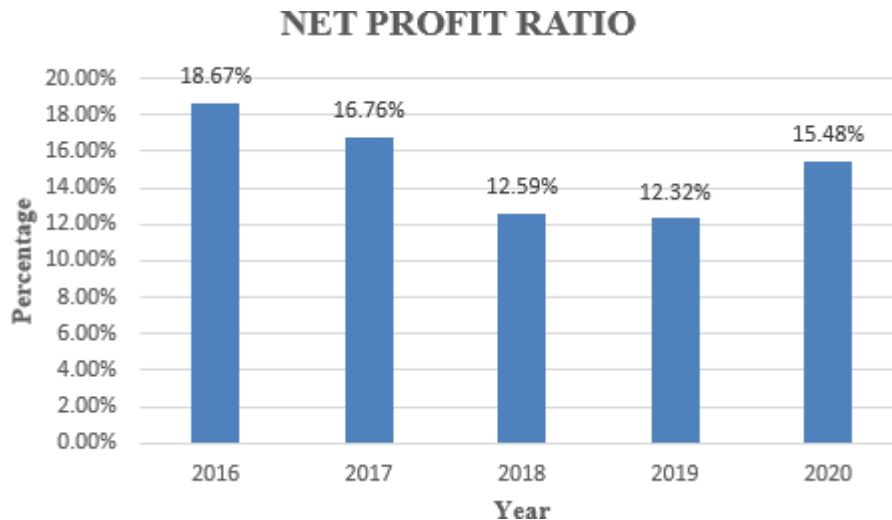
4.7 NET PROFIT RATIO

Net income ratio = Net income after net sales / net sales * 100

4.7 TABLE SHOWING NET PROFIT RATIO

YEAR	NET PROFIT AFTER TAX	NET SALES	NET PROFIT RATIO
2016	68257	365455	18.67%
2017	78654	469257	16.76%
2018	87107	691669	12.59%
2019	50876	412914	12.32 %
2020	85077	549625	15.48%

47 GRAPH SHOWING THE NET PROFIT RATIO OF THE FINANCIAL YEARS 2016 – 2020.



ANALYSIS AND INTERPRETATION:

Fine tech Enterprises Net Profit ratio for the year 2016 is 18.67, in 2017 is 16.76, 2018 is 12.59, in 2019 net profit ratio is 12.32, 2020 is 15.48 from the graph profit is evident that net profit ratio of Fine tech enterprises is increasing. The increasing in net profit ratio of the fine tech enterprises indicates that the company's profitability position is Flexible.

48 CASH TO SALES

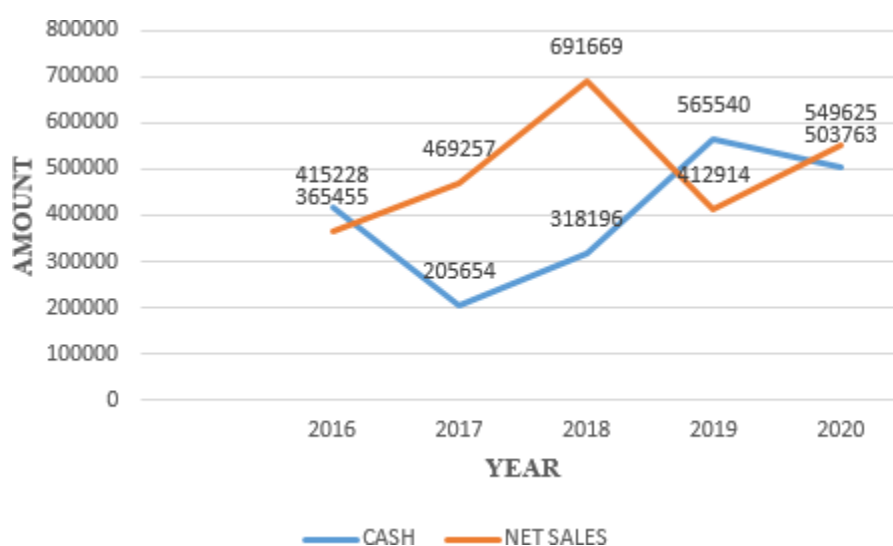
The cash flow / sales ratio represents the ability to generate cash flows in proportion to the volume of sales. Calculated by cash flow from operations divided by net sales. Ideally, the ratio should be about the same as revenue growth.

$$\text{Cash to sales} = \text{cash} / \text{Net sales}$$

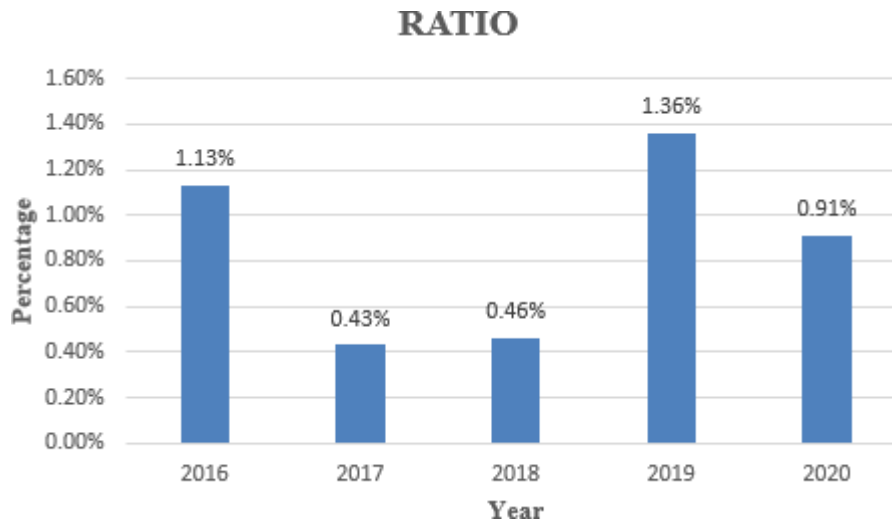
4.8 TABLE SHOWING CASH TO SALES

YEAR	CASH	NET SALES	RATIO
2016	415228	365455	1.13%
2017	205654	469257	0.43%
2018	318196	691669	0.46%
2019	565540	412914	1.36%
2020	503763	549625	0.91%

4.8.1 GRAPH SHOWING THE CASH TO SALES IN FINANCIAL YEARS 2016-2020.



4.8.2 THE FOLLOWING CHART SHOWS THE RATIO OF CASH TO SALES 2016 – 2020.



ANALYSIS AND INTERPRETATION:

As noted above, the cash flow ratio for the 2016 period was 1.13, 2017 is 0.43, 2018 period was 0.46 and the 2019 cash sales ratio was 1.36. In 2020, you can see that the ratio of cash and sales is 0.91. The above ratios indicate that, as sales decrease, the cash position decreases and the organization can achieve a better liquidity position.

4.9 CASH FLOW STATEMENT:

PARTICULAR	2016	2017	2018	2019	2020
1) CASH FLOW FROM OPERATING ACTIVITIES					
Net profit before tax	685533	93085	110085	138543	168678
Add: Depreciation and amortization expenses	75550	15458	8357	16115	42643
Provision for diminution value of investment	-	-	-	-	-
Interest Paid	-	-	-	-	-
Less: Loss on sale of fixed asset	-	-	-	-	-
Interest received	-	-	-	-	-
Dividend received	-	-	-	-	-
Operating profit before working capital changes	761,083	108,543	118,442	154,658	211,321
Working capital changes	-	-	-	-	-
Trade receivable	102,545	120,698	184,676	284,395	158,608
Trade payable current liabilities and provision	-	-	-	-	-
Adjustment for other asset	-	-	-	-	-
Special tools & equipment	-	-	-	-	-
Differed revenue expenditure	-	-	-	-	-

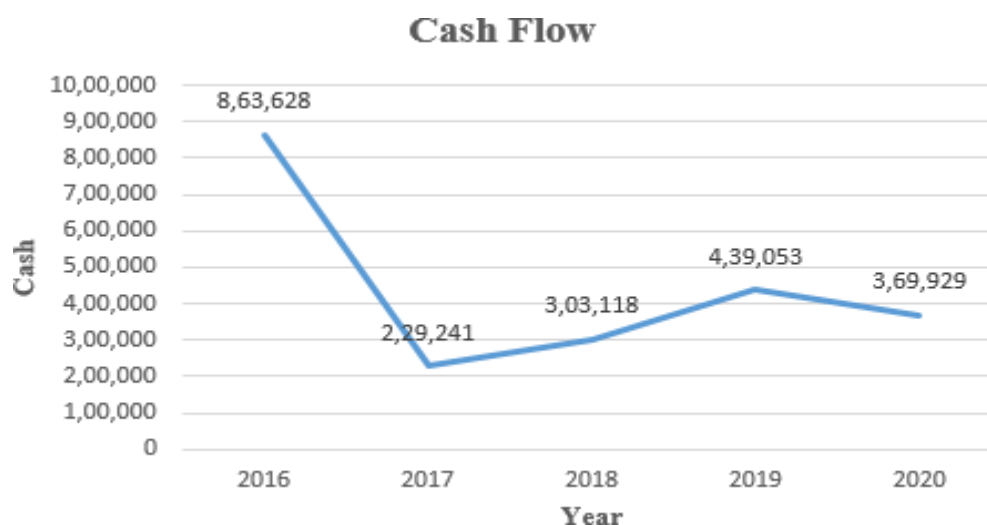
Direct tax paid	-	-	-	-	-
Net cash provided by operating activities	863,628	229,241	303,118	439,053	369,929
2) CASH FLOW FROM INVESTING ACTIVITIES					
Sale of fixed asset	365,455	469,257	691,669	412,914	549,625
Intangible asset	-	-	-	-	-
Interest borrowed	800,000	200,000	-	-	-
Dividend received	-	-	-	-	-
Net cash provided by investment activities	1,165,455	669,257	691,669	412,914	549,625
(3) CASH FLOW FROM FINANCING ACTIVITIES					
Short term loans	527,695	284,660	122,259	445,485	413,979
Duration of shares	-	-	-	-	-
Repayment of differed liabilities	-	-	-	-	-
Interest paid	-	-	-	-	-
Dividend paid	-	-	-	-	-
Cash flow from Financing activities	527,695	284,660	122,259	445,485	413,979
Net cash provided by operating activity	863,628	229,241	303,118	439,053	369,929
Net cash provided by Investment activity	1,165,455	669,257	691,669	412,914	549,625
Net cash provided by financing activity	527,695	284,660	122,259	445,485	413,979

Increase/Decrease in cash equivalent during the year	2,556,778	1,183,158	1,117,046	1,297,452	1,333,533
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4.9.1 CASHFLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities is included in a statement of cash flows that describes the source of cash and the use of on-going commercial activities during a given period. This generally includes changes in net income from income statement, adjustments to net income and working capital.

4.9.1 Graph showing the cash from operating activities of the financial years 2016-2020.



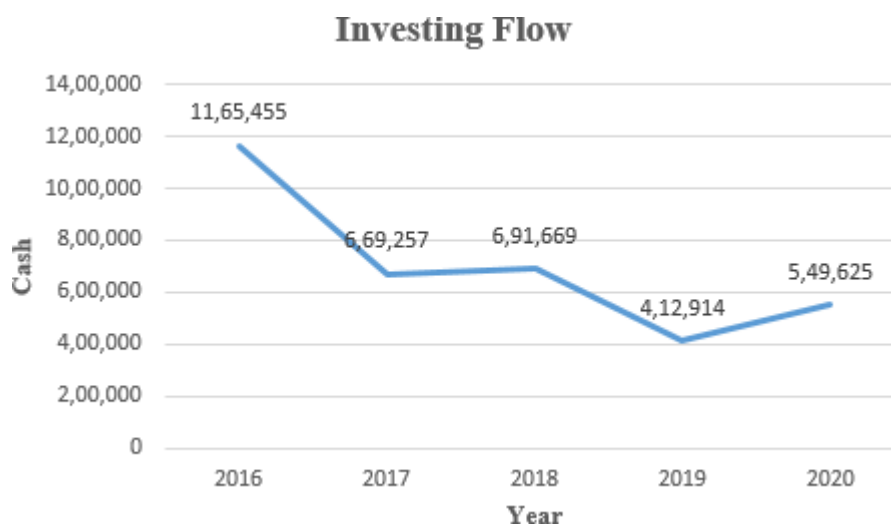
INTERPRETATION

From the above chart, cash flow from operating activities shows high rate of the fluctuations in the cash flows. It can be observed in the year 2016 as 8.63 Lakhs, in 2017 as 2.29 lakhs, in 2018 was 3.03 lakhs there is high cash from operating activities, but in the year 2019 is 4.39 lakhs, it come down later it shows decrease in the year 2020 was 3.69 lakhs.

4.9.2 CASHFLOW FROM INVESTING ACTIVITIES

Cash flows from investing activities are items in the statement of cash flows that reflect changes in the amount invested in capital gains, such as investment gains and losses and property, plant and equipment.

4.9.2 GRAPH SHOWING THE CASH FROM INVESTMENT ACTIVITIES OF THE FINANCIAL YEARS 2016- 2020.

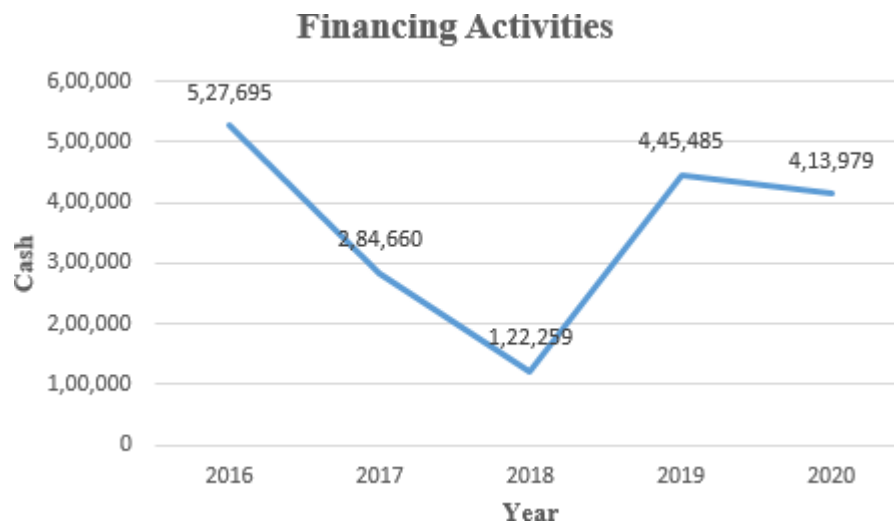


INTERPRETATION

From the above chart, cash flow from investing activities shows high rate of investment on fixed assets. It can be observed in the year 2016 was Rs 11.65 lakhs there is high cash from investing activities, but in the year 2017 is Rs 6.69 lakhs, in 2018 increase to Rs. 6.91 lakhs, it come down later it shows decreased its investment criteria on fixed assets in the year 2019 was Rs 4.12 lakhs and in 2020 increases to 5.49 lakhs.

4.9.3 CASHFLOW FROM FINANCING ACTIVITIES

4.9.3 GRAPH SHOWING THE CASH FROM FINANCIAL ACTIVITIES OF THE FINANCIAL YEARS 2016-2020



INTERPRETATION

The cash and bank balance held by the company are fluctuating over the years as seen from the above chart the company cash and bank balance was high in the year 2016 Rs 5.27 lakhs, low in the year 2018 is Rs 1.22 lakhs.

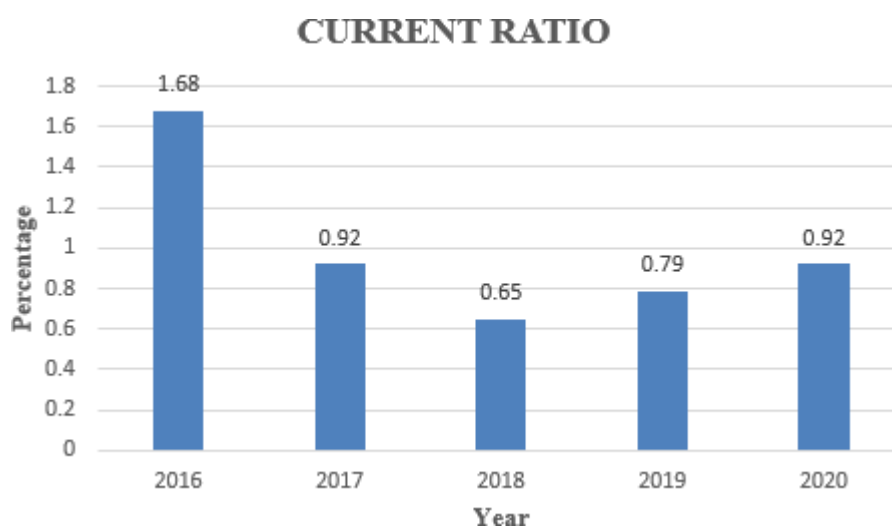
4.10 CURRENT RATIO

Current ratio = Current asset / Current Liability

4.10 TABLE SHOWING CURRENT RATIO

YEAR	CURRENT ASSET	CURRENT LIABILITY	CURRENT RATIO
2016	1695035	1009502	1.68
2017	1217957	1311042	0.92
2018	973569	1483706	0.65
2019	1560920	1959519	0.79
2020	1301363	1403920	0.92

4.10 GRAPH SHOWING THE CURRENT RATIO OF THE FINANCIAL YEARS 2016 – 2020.



ANALYSIS AND INTERPRETATION:

Fine tech Enterprises Current ratio for the year 2016 is 1.68, in 2017 is 0.92, 2018 is 0.65, in 2019 is 0.79, 2020 the current ratio is increasing to 0.92. The current ratio decreased to 0.65 in the year 2018 and increases to 0.92 in the year 2020.

CHAPTER 5
FINDING AND SUGGESTION

FINDINGS:

- The Cash ratio in 2016 was 41.13%, 15.68% in 2017, in 2018 was 21.44%, 28.84% in 2019 and the year-over-year fluctuation of 35.88 in 2020. The cash ratio in 2017 is very low at 15.68%.
- The cash / working capital ratio for 2016 as 0.60, 2017 as 2.20, 2018 was 2.80 in 2019 is 4.06. In 2019, it increased to 4.06 and decreased to 2.98 in 2020, the lower the ratio.
- Debt Equity Ratio for the year 2016 is 1.56, 2017 is 1.85, 2018 is 4.11, 2019 is 2.89 and in the year 2020 is 2.65.
- The cash holdings decreases in 2017 compared with 2017 and the increase in cash holdings tends to increase expectations for 2019 compared to 2018. The growth rate for 2020 decrease to 121.32. In addition, it can be said that the increase in cash is favourable for the company.
- The ratio of liquid assets to liquid assets in 2016 is 24.49, in 2017 decreased to 16.88, then in 2018 increased to 32.68. It increased to 36.23 in 2019, to reach 38.71 in 2020. The above data show that the company's cash / present ratio fluctuates over time. The figure for 2017 is 16.88%, which is very low compared to other years.
- Net Profit ratio for the year 2016 is 18.67, in 2017 is 16.76, 2018 is 12.59, in 2019 net profit ratio is 12.32, 2020 is 15.48 from the graph profit is evident that net profit ratio of Fine tech enterprises is increasing. The increasing in net profit ratio of the fine tech enterprises indicates that the company's profitability position is Flexible.
- The cash flow ratio for the 2016 period was 1.13, 2017 is 0.43, 2018 period was 0.46 and the 2019 cash sales ratio was 1.36. In 2020, you can see that the ratio of cash and sales is 0.91. The above ratios indicate that, as sales decrease, the cash position decreases and the organization can achieve a better liquidity position.
- Cash flow from operating activities shows high rate of the fluctuations in the cash flows. It can be observed in the year 2016 as 8.63 Lakhs, in 2017 as 2.29 lakhs, in 2018 was 3.03 lakhs there is high cash from operating activities, but in the year 2019 is 4.39 lakhs, it come down later it shows decrease in the year 2020 was 3.69 lakhs.
- Cash flow from investing activities shows high rate of investment on fixed assets. It can be observed in the year 2016 was Rs 11.65 lakhs there is high cash from investing activities, but in the year 2017 is Rs 6.69 lakhs, in 2018 increase to Rs. 6.91 lakhs, it

come down later it shows decreased its investment criteria on fixed assets in the year 2019 was Rs 4.12 lakhs and in 2020 increases to 5.49 lakhs.

- The cash and bank balance held by the company are fluctuating over the years as seen from the above chart the company cash and bank balance was high in the year 2016 Rs 5.27 lakhs, low in the year 2018 is Rs 1.22 lakhs.
- Fine tech Enterprises Current ratio for the year 2016 is 1.68, in 2017 is 0.92, 2018 is 0.65, in 2019 is 0.79, 2020 the current ratio is increasing to 0.92. The current ratio decreased to 0.65 in the year 2018 and increases to 0.92 in the year 2020.

SUGGESTION:

- The company must take steps to reduce operating expenses.
- Fine Tech Enterprises should maintain its current assets and improve them.
- The company needs to decrease the collection period because it is more than the required.
- Fine tech Enterprises must recover the debtor's payment within specific time.
- The company needs better liquidity to ensure that liquidity needs are properly met.
- The company should be able to reduce downtime to improve productivity and save energy. Step to be taken to increase the working capital of the firm to meet short term obligation.
- Even though the firm is doing well but the bad debts are also increasing so the management needs to take necessary steps for reducing bad debts.

CONCLUSION:

In this study, the cash management effectiveness analysis was conducted at Fine Tech Enterprises. We analysed the effectiveness of liquidity based on data from company's annual report. The effectiveness of Fine tech enterprises cash management was analysed by analysing the relationship between cash flow and the balance of sales, investments and financing activities.

Since cash management cannot control cash flow, inefficient liquidity management can hurt business. In most cases, poor cash management is due to the failure of the business. Effective cash management is therefore essential for the company.

The analysis of this project shows significant fluctuations in long-term credit for clients. The analysis shows that sales volume has increased and collections management has improved. Efficient receivables management can generate good revenue growth, healthy cash flow, profitability and a stable sales cycle.

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ANNEXTURE

BALANCE SHEET AS AT APRIL 2016, MARCH 31st 2017, 2018, 2019 AND 2020.

PARTICULAR	APRIL 2016	MARCH 2017	MARCH 2018	MARCH 2019	MARCH 2020
(A) EQUITY AND LIABILITIES					
<u>1. SHARE HOLDER FUND</u>					
SHARE CAPITAL	986,000	986,000	986,000	986,000	986,000
RESERVE AND SERPLUSE	160,585	185,785	260,542	345,992	368,684
<u>2. NON CURRENT LIABILITIES</u>					
Other financial assets	350,000	350,000	350,000	350,000	350,000
Long term provision	434,568	510,255	534,541	577,379	569,552
<u>CURRENT LIABILITIES</u>					
Trade payable	365,700	458,200	559,712	795,735	466,095
Other current liabilities	401,252	568,300	609,867	601,300	601,928
Short term provision	242,550	284,542	314,127	562,484	335,897
TOTAL	2,940,655	3,343,082	3,614,789	4,218,890	3,904,743
<u>(B). ASSETS</u>					
<u>NON CURRENT ASSET</u>					
(a) F/A					
TANGIBLE ASSETS	1,245,620	2,125,125	2,641,220	2,657,970	2,603,380

<u>2. CURRENT</u>					
<u>ASSET</u>					
Inventories	145,565	174,985	194,698	116,834	101,381
Trade receivable	102,545	120,698	184,676	284,395	158,608
Cash	415,228	205,654	318,195	565,540	503,763
Loan and advance	527,695	284,660	122,259	445,485	413,979
Other c/a	504,002	431,960	153,741	148,666	123,632
Equity share capital					
Other equity					
TOTAL	2,940,655	3,343,082	3,614,789	4,218,890	3,904,743

APPENDIX – 2 (Article)
**“A STUDY ON CASH MANAGEMENT
OF FINE TECH ENTERPRISES,
CHENNAI”**

ABSTRACT

The main objective is to confirm the cash position of Finetech Enterprises. The study is based on secondary data. The need for money to do daily activities cannot be overstated. There are few commercial companies that do not need money. The business should aim to maximize wealth. The company must invest sufficient funds in its current assets for sale. Your assets are needed because your sales are not immediately converted to cash. There is always a sales cycle to convert sales into cash.

The goal is to analyze cash management and determine the effectiveness of cash, inventory, debtor and creditor. To better understand the liquidity and profitability of the company. This goal is achieved by using ratio analysis and drawing important conclusions to understand the effectiveness / inefficiency of money. The company is taking steps to improve performance and focus on the region. The company has a weak financial capacity and lends money from the government and from outside. They must therefore take the necessary measures to increase working capital resources.

INTRODUCTION:

Cash is the important current asset for the operations of the business. Cash is the basic input needed to keep the business running on a continuous basis; it is also the ultimate output expected to be realized by selling the service or product manufactured by the firm. The firm should keep sufficient cash, neither more nor less. Cash shortage will disrupt the firm's manufacturing operations while excessive cash will simply remain idle, without contributing anything towards the firm's profitability. Thus, a major function of the financial manager is to maintain a sound cash position.

Cash is the money which a firm can disburse immediately without any restriction. The term cash includes coins, currency and cheques held by the firm, and balances in its bank accounts. Sometimes near-cash items, such as marketable securities or bank time's deposits, are also included in cash. The basic characteristic of near-cash assets is that they

can readily be converted into cash. Generally, when a firm has excess cash, it invests it in marketable securities. This kind of investment contributes some profit to the firm.

REVIEW OF LITERATURE

11. **Matthew Abioro (2013)** this study examined empirically the impact of cash management on the performance of manufacturing companies in Nigeria-A study of Cadbury Nigeria Plc. The researcher used both secondary and primary data for data collection. For clear analysis, the study centres on two broad variables; the dependent variable which is performance and the independent variable which is Cash management. Two different hypotheses were formulated and tested using descriptive statistics and correlation coefficients techniques respectively in order to establish whether there is a significant relationship between cash management, performance and liquidity.
12. **Tamar Gamsakhurdia, (2016)** a cash flow management as one of the most important instruments to increase the company's value. The present study has as main objective to carry out a literature review regarding cash flow management policy and to withdraw the main aspects of managing in order to create an objective image upon this indicator. The contribution to current state of research is providing a literature review study, focused on a comparative approach. The results proved that there is no generally accepted definition and cash flow management method, which can be widely used by corporation for achieving the best result of financial performance.
13. **Philip L. Cooley** Cash forecasting, investing, and controlling are three basic elements of a cash management program. Surveys of Fortune 500 firms reveal large firms having considerable sophistication in dealing with these cash management activities. Small-business practices probably differ from those of large firms due to time constraints, financial limitations, or lack of awareness. The following article reports on the cash management practices of 122 small businesses engaged in petroleum marketing. Although some deficiencies in cash forecasting and investing are noted, the small companies appear quite sophisticated in controlling their cash flows.

OBJECTIVES OF THE STUDY

- Investigate cash management techniques and the impact on the income statements.
- Evaluate the effectiveness of the cash management of the Fine tech.
- Evaluate the cash flow of the industry.
- Determine the link between bond management and profitability.

RESEARCH METHODOLOGY

Research may define as the systematic method of finding solutions to a problem. It gives a structure for the management process like decision making and planning in accordance with the data collection.

Methodology gives a true path to find solution to by the research in studying a problem with certain objective in view. Research methodology is a way to systematically solve the research problem. So the research methods, but also consider the logic behind the methods that are capable of being evaluated either by researcher himself or by others.

SAMPLE DESIGN:

SAMPLING PLAN

Research design is a description of facts and figures collectable from the authorities and the beneficiaries of the society. The officials and the beneficiaries of the society may provide facts and figures for study besides the latest five years of audit reports. The primary data will be the data collectable during the period of study which will be through observation and interview and the secondary data will be the articles and research papers that could be taken from the website

LIMITATION OF STUDY

This study has several limitations:

4. Data is collected for 5 years only.
5. Most financial data are kept secret
6. Management did not allow researchers in each department.

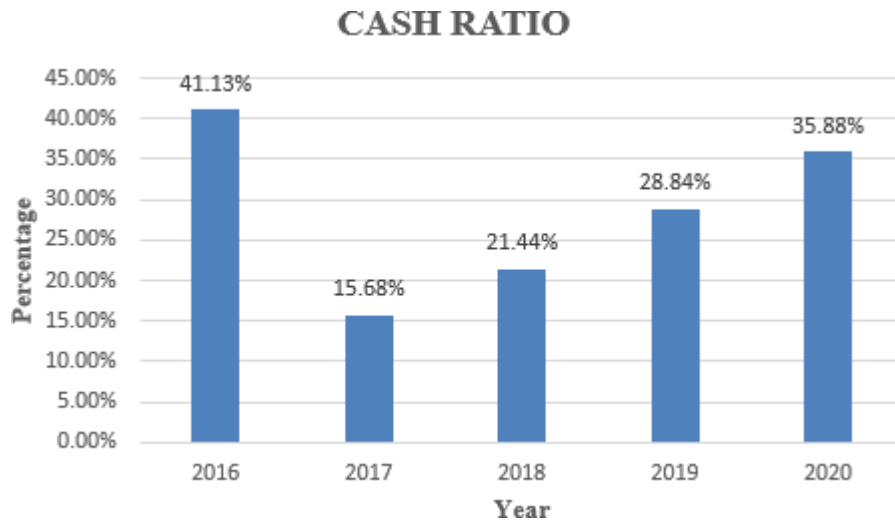
VI.DATA ANALYSIS

CASH RATIO

The cash ratio is the ratio of cash and cash equivalents to short-term liabilities of the Company. This is an extremely high liquidity ratio as it only compares cash and cash equivalents with current liabilities. Measure ability to repay your current debt using only cash and cash equivalents.

$$\text{CASH RATIO} = \text{CASH/CURRENT LIABILITY} \times 100$$

YEAR	CASH	CURRENT LIABILITY	CASH RATIO
2016	415228	1009502	41.13%
2017	205654	1311042	15.68%
2018	318196	1483706	21.44%
2019	565540	1959519	28.84%
2020	503763	1403920	35.88%



ANALYSIS AND INTERPRETATION:

As you can see in the chart above, the Cash ratio in 2016 was 41.13%, 15.68% in 2017, in 2018 was 21.44%, 28.84% in 2019 and the year-over-year fluctuation of 35.88 in 2020. The cash ratio in 2017 is very low at 15.68%.

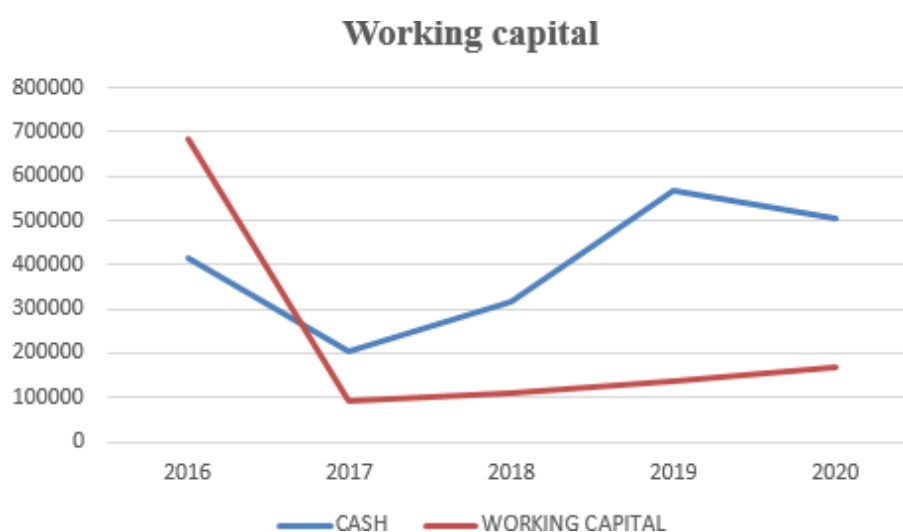
CASH TO WORKING CAPITAL

The cash generating capital ratio measures the extent to which current liabilities can be hedged using cash and cash equivalents and current assets such as securities. This includes situations in which the company does not spend too much money on inventory and moves quickly to sales.

Cash to working capital = Cash and Cash Equivalents / Total Current Assets — Total Current Liabilities

Working capital = Current Assets - Current Liability

YEAR	CASH	WORKING CAPITAL	RATIO
2016	415228	685533	0.60%
2017	205654	93085	2.2%
2018	318196	110085	2.80%
2019	565540	138543	4.06%
2020	503763	168678	2.98%



FINDINGS:

- The Cash ratio in 2016 was 41.13%, 15.68% in 2017, in 2018 was 21.44%, 28.84% in 2019 and the year-over-year fluctuation of 35.88 in 2020. The cash ratio in 2017 is very low at 15.68%.
- The cash / working capital ratio for 2016 as 0.60, 2017 as 2.20, 2018 was 2.80 in 2019 is 4.06. In 2019, it increased to 4.06 and decreased to 2.98 in 2020, the lower the ratio.
- Debt Equity Ratio for the year 2016 is 1.56, 2017 is 1.85, 2018 is 4.11, 2019 is 2.89 and in the year 2020 is 2.65.
- The cash holdings decreases in 2017 compared with 2017 and the increase in cash holdings tends to increase expectations for 2019 compared to 2018. The growth rate for 2020 decrease to 121.32. In addition, it can be said that the increase in cash is favourable for the company.

- The ratio of liquid assets to liquid assets in 2016 is 24.49, in 2017 decreased to 16.88, then in 2018 increased to 32.68. It increased to 36.23 in 2019, to reach 38.71 in 2020. The above data show that the company's cash / present ratio fluctuates over time. The figure for 2017 is 16.88%, which is very low compared to other years.

CONCLUSION:

In this study, the cash management effectiveness analysis was conducted at Fine Tech Enterprises. We analysed the effectiveness of liquidity based on data from company's annual report. The effectiveness of Fine tech enterprises cash management was analysed by analysing the relationship between cash flow and the balance of sales, investments and financing activities.

Since cash management cannot control cash flow, inefficient liquidity management can hurt business. In most cases, poor cash management is due to the failure of the business. Effective cash management is therefore essential for the company.

The analysis of this project shows significant fluctuations in long-term credit for clients. The analysis shows that sales volume has increased and collections management has improved. Efficient receivables management can generate good revenue growth, healthy cash flow, profitability and a stable sales cycle.

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