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A STUDY ON CASH MANAGEMENT

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ABSTRACT: Cash management is the blood of a business firm, it is needed to acquire supplies, resources equipment and other assets used in generating the products and services provided by the firm. In cash management the financial manager must keep in mind two objects i.e. Liquidity and Profitability. In order to meet the financial obligations the firm has to keep large cash balances. In doing so the company well loses cash means only money in the form of currency [cash in hand]. Cash management is one of the key areas of working capital management.

Cash management in Standard Chartered shows the cash inflows and outflows every year. It helps to know the services provided for the Customers. From the Revenue account and capital account it can be analyzed that the corporation is running in losses. Hence, it requires certain measures in order to run for a longer period of time. It can be suggested that the corporation has to maintain maximum funds in the form of cash in order to meet its expenditure.

Standard Chartered is highly recognized as a leading cash management supplier across the emerging markets. Our Cash Management Services cover local and cross border Payments, Collections, Information Management, Account Services and Liquidity Management for both corporate and institutional customers. With Standard Chartered's Cash Management services, you'll always know your exact financial position. You have the flexibility to manage your company's complete financial position directly from your computer workstation. You will also be able to take advantage of our outstanding range of Payments, Collections, Liquidity and Investment Services and receive comprehensive reports detailing your transactions. With Standard Chartered, you have everything it takes to manage your cash flow more accurately.

I. INTRODUCTION

Cash management Definition:

Cash management is a marketing term for certain services offered primarily to larger business customers. It may be used to describe all bank accounts (such as checking accounts) provided to businesses of a certain size, but it is more often used to describe specific services such as cash concentration, zero balance accounting, and automated clearing house facilities. Sometimes, private bank customers are given cash management services.

Cash Management Services Generally offered

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

Account Reconciliation Services: Balancing a checkbook can be a difficult process for a very large business, since it issues so many checks it can take a lot of human monitoring to understand which checks have not cleared and therefore what the company's true balance is. To address this, banks

have developed a system which allows companies to upload a list of all the checks that they issue on a daily basis, so that at the end of the month the bank statement will show not only which checks have cleared, but also which have not. More recently, banks have used this system to prevent checks from being fraudulently cashed if they are not on the list, a process known as positive pay.

Advanced Web Services: Most banks have an Internet-based system which is more advanced than the one available to consumers. This enables managers to create and authorize special internal logon credentials, allowing employees to send wires and access other cash management features normally not found on the consumer web site.

Armored Car Services: Large retailers who collect a great deal of cash may have the bank pick this cash up via an armored car company, instead of asking its employees to deposit the cash.

Automated Clearing House: services are usually offered by the cash management division of a bank. The Automated Clearing House is an electronic system used to transfer funds between banks.

Companies use this to pay others, especially employees (this is how direct deposit works). Certain companies also use it to collect funds from customers (this is generally how automatic payment plans work). This system is criticized by some consumer advocacy groups, because under this system banks assume that the company initiating the debit is correct until proven otherwise.

Balance Reporting Services: Corporate clients who actively manage their cash balances usually subscribe to secure web-based reporting of their account and transaction information at their lead bank. These sophisticated compilations of banking activity may include balances in foreign currencies, as well as those at other banks. They include information on cash positions as well as 'float' (e.g., checks in the process of collection).

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

Lockbox services: Often companies (such as utilities) which receive a large number of payments via checks in the mail have the bank set up a post office box for them, open their mail, and deposit any checks found. This is referred to as a "lockbox" service.

Positive Pay: Positive pay is a service whereby the company electronically shares its check register of all written checks with the bank. The bank therefore will only pay checks listed in that register, with exactly the same specifications as listed in the register (amount, payee, serial number, etc.). This system dramatically reduces check fraud.

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

Zero Balance Accounting: can be thought of as somewhat of a hack. Companies with large

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

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

Controlled Disbursement: This is another product offered by banks under Cash Management Services. The bank provides a daily report, typically early in the day, that provides the amount of disbursements that will be charged to the customer's account.

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

In the past, other services have been offered the usefulness of which has diminished with the rise of the Internet. For example, companies could have daily faxes of their most recent transactions or be sent CD-ROMs of images of their cashed checks.

Cash management aims at evolving strategies for dealing with various facets of cash management. These facets includes the following:

Optimum Utilization of Operating Cash

Implementation of a sound cash management programme is based on rapid generation, efficient utilization and effective conversation of its cash resources. Cash flow is a circle. The quantum and speed of the flow can be regulated through prudent financial planning facilitating the running of business with the minimum cash balance. This can be achieved by making a proper analysis of operative cash flow cycle along with efficient management of working capital.

Cash Forecasting

Cash forecasting is backbone of cash planning. It forewarns a business regarding expected cash problems, which it may encounter, thus assisting it to regulate further cash flow movements. Lack of cash planning results in spasmodic cash flows.

Cash Management Techniques:

Every business is interested in accelerating its cash collections and decelerating cash payments so as to exploit its scarce cash resources to the maximum. There are techniques in the cash management which a business to achieve this objective.

Liquidity Analysis:

The importance of liquidity in a business cannot be over emphasized. If one does the autopsies of the businesses that failed, he would find that the major reason for the failure was their inability to remain liquid. Liquidity has an intimate relationship with efficient utilization of cash. It helps in the attainment of optimum level of liquidity.

Profitable Deployment of Surplus Funds

Due to non-synchronization of cash inflows and cash outflows the surplus cash may arise at certain points of time. If this cash surplus is deployed judiciously cash management will itself become a profit centre. However, much depends on the quantum of cash surplus and acceptability of market for its short-term investments.

Economical Borrowings

Another product of non-synchronization of cash inflows and cash outflows is emergence of deficits at various points of time. A business has to raise funds to the extent and for the period of deficits. Raising of funds at minimum cost is one of the important facets of cash management.

Purpose of Cash Management

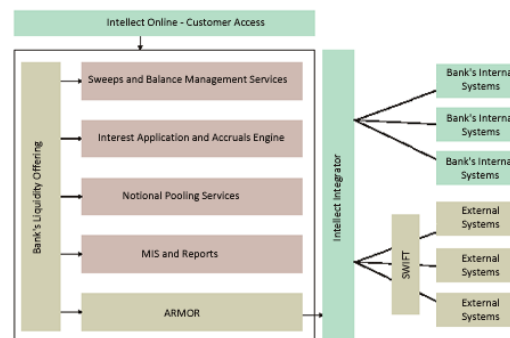
Cash management is the stewardship or proper use of an entity's cash resources. It serves as the means to keep an organization functioning by making the best use of cash or liquid resources of the organization.

The function of cash management at the U.S. Treasury is threefold:

To eliminate idle cash balances. Every dollar held as cash rather than used to augment revenues or decrease expenditures represents a lost opportunity. Funds that are not needed to cover expected transactions can be used to buy back outstanding debt (and cease a flow of funds out of the Treasury for interest payments) or can be invested to generate a flow of funds into the Treasury's account. Minimizing idle cash balances requires accurate information about expected receipts and likely disbursements.

To deposit collections timely. Having funds in-hand is better than having accounts receivable. The cash is easier to convert immediately into value or goods. A receivable, an item to be converted in the future, often is subject to a transaction delay or a depreciation of value. Once funds are due to the Government, they should be converted to cash-in-hand immediately and deposited in the Treasury's account as soon as possible.

To properly time disbursements. Some payments must be made on a specified or legal date, such as Social Security payments. For such payments, there is no cash management decision. For other payments, such as vendor payments, discretion in timing is possible. Government vendors face the same cash management needs as the Government. They want to accelerate collections. One way vendors can do this is to offer discount terms for timely payment for goods sold.



CASH MANAGEMENT AT STANDARD CHARTERED BANK



Cash Management As part of Standard Chartered's global transaction solutions to Corporates and Institutions, we provide Cash Management, Securities Services and Trade Services through our strong market networks in Asia, Africa, the Middle East and Latin America. We also provide a bridge to these markets for clients from the U.S and Europe. We are committed to providing you with

- └ Integrated, superior cross-border and local services
- └ Efficient transaction processing
- └ Reliable financial information
- └ Innovative products
- └ World-class clearing services Thus ensuring a full suite of transactional products for your needs.

For Corporates

Standard Chartered is highly recognized as a leading cash management supplier across the emerging markets. Our Cash Management Services cover local and cross border Payments, Collections, Information Management, Account Services and Liquidity Management for both corporate and institutional customers. With Standard Chartered's Cash Management services, you'll always know your exact financial position. You have the flexibility to manage your company's complete financial position directly from your computer workstation. You will also be able to take advantage of our outstanding range of Payments, Collections, Liquidity and Investment Services and receive comprehensive reports detailing your transactions. With Standard Chartered, you have everything it takes to manage your cash flow more accurately.

- └ [Payments Services](#)
- └ [Collection Services](#)
- └ [Liquidity Management](#)

For Financial Institutions

Standard Chartered is highly recognized as a leading cash management supplier across the emerging markets. Our Cash Management Services cover local and cross border Payments, Collections, Information Management, Account Services and Liquidity Management for both corporate and institutional customers. If you are looking for a correspondent banking partner you can trust, Standard Chartered can help you. We have more

than 500 offices located in 50 countries throughout the world and, with 160 years of on-the-ground experience, we can help our bank clients with all their cash management needs.

- └ [Clearing Services](#)
- └ [Asian Gateway](#)

Payment Services Global payments solution for efficient transaction processing Looking to outsource your payments to enable:

- └ Efficient processing of all your payables in the most cost effective way
- └ Straight through processing both at your end as well as your bank's back-end
- └ Efficient payables reconciliation with minimal effort and delay
- └ Quick approval of payments from any location
- └ Minimum hindrance to automation due to local language difficulties

└ Centralized management of payables across departments, subsidiaries and countries Our Solution Standard Chartered's Straight through Services (STS) Payments Solution can be tailored to the different payment needs of companies, whatever industry, size or country you may be in. With a comprehensive End-to-end Payment Processing Cycle, STS allows companies to process a variety of payment types, whether they be domestic or international, local or central in different countries, all in a single system file. To realize the benefits of STS, please contact your local Relationship Manager or Cash Management representative. Our Coverage We are the foreign bank having the largest geographical representation in the country. We are present in 31 locations which enables you to print Payable at Par at 31 locations with the highest number of print sites. i.e. we can print cheque, drafts for you at 31 locations and thus bring down your cost. We can also provide 700+ locations online for draft required. We are the only bank which provides draft status to you on the website.

Collection Services

Comprehensive receivables management solution. Standard Chartered understands that operating and sustaining a profitable business these days is extremely tough. In an environment of constant changes and uncertainties, most businesses face

challenges of costs and efficiency. Key concerns include:

└ Receivables Management - ensuring receivables are collected in an efficient and timely manner to optimize utilization of funds.

└ Risk Management - ensuring effective management of debtors to eliminate risk of returns and losses caused by defaulters and delayed payments

└ Inventory Management - ensuring efficient and quick turnaround of inventory to maximize returns.

└ Cost Management - reducing interest costs through optimal utilization of funds. Our Solution the Standard Chartered Collections Solution leverages the Bank's extensive regional knowledge and widespread branch network across our key markets to specially tailor solutions for your regional and local collection needs. In India we have around 270 local locations and we are the only foreign bank which is present in 31 locations. We have the widest network among foreign banks in the country. This Collections Solution, delivered through a standardized international platform, has the flexibility to cater to your local needs, thus enabling you to meet your objectives of reducing costs and increasing efficiency and profitability through better receivables and risk management. The key components of our solution include the following:

- └ Extensive Clearing Network
- └ Guaranteed Credit
- └ Comprehensive MIS
- └ System Integration
- └ Outsourcing of Collection

Liquidity Management

Solutions for efficient management of your funds a corporate treasurer's main challenge often revolves around ensuring that the company's cash resources are utilized to their maximum advantage. You need a partner bank that can help you:

- └ Maximize interest income on surplus balances; minimize interest expense on deficit balances for domestic, regional and global accounts
- └ Minimize FX conversion for cross-currency cash concentration

└ Customize liquidity management solutions for different entities in different countries

└ Centralize information management of consolidated account balances Our Solution with our global experience and on-the-ground market knowledge, Standard Chartered will help you define an overall cash management strategy which incorporates a liquidity management solution that best meets your needs. Click here for an illustration of our propositions.

NEED AND IMPORTANCE OF STUDY

Many business owners disregard the importance of cash flow statements because they unwittingly believe that their current financial standing can be construed from other financial reports and projections. Unfortunately, however, a cash flow statement is necessary to adequately assess the incoming and outgoing flow of cash and other resources in a business. Not only will a business owner with a cash flow system be more aware of his or her financial standing, but it will also help investors to make educated decisions on future investments. A business with regular and reliable cash flow statements shows more economic solvency, and is more attractive to investors. A cash flow statement documents the incoming and outgoing cash in plain terms. Future sales and sales made for credit (unless they have been paid off) are not included in the cash flow statement, and most of the data will come from core operations. Payables and receivables should be expressly defined, as should depreciation of product value and inventory that has not yet been moved.

This will allow a business owner to compare past periods with the current financial standing and determine whether your receivables have increased or decreased. This can also help to track your [investments](#) next to your receivables and payables. Are your [investments](#) increasing or decreasing in value? And has your inventory moved at a steady pace? New or expanding businesses can expect to see a decrease in cash flow, but this doesn't mean that the business is going under. More stable businesses should see a steadily increase in cash flow over a period of several months or years. There are typically five different sections in a cash flow statement, though large businesses might have more complex cash flow systems as required.

SCOPE OF THE STUDY:

Since it will not be possible to conduct a micro level study of all Banking industries in

Andhra Pradesh, the study is restricted to Standard Chartered Bank only.

RESEARCH METHODOLOGY

Research is a process through which we attempt to achieve systematically and with the support of data the answer to a question, the resolution of a problem, or a greater understanding of a phenomenon. This process, which is frequently called research methodology, has eight distinct characteristics:

Research originates with a question or problem.

Research requires a clear articulation of a goal.

Research follows a specific plan of procedure.

Research usually divides the principal problem into more manageable sub problems.

Research is guided by the specific research problem, question, or hypothesis.

Research accepts certain critical assumptions.

Research requires the collection and interpretation of data in attempting to resolve the problem that initiated the research.

Research is, by its nature, cyclical; or more exactly, helical.

Descriptive research is used in this project report in order to know about cash management services to clients and determining their level of satisfaction. This is the most popular type of research technique, generally used in survey research design and most useful in describing the characteristics of consumer behavior. The method used were following:

Questionnaire method

Direct Interaction with the clients.

MODE OF DATA COLLECTION

Primary Data: - The sources of Primary data were questionnaires and personal interviews.

Secondary data: - the sources of secondary data were internet, books and newspaper articles.

Sample size: 8

OBJECTIVES OF THE STUDY

Objectives of a project tell us why project has been taken under study. It helps us to know more about the topic that is being undertaken and helps us to explore future prospects of that organization. Basically it tells what all have been studied while making the project.

To learn about various aspects of standard chartered cash management.

To analyze the history of Standard chartered bank.

To gain insights about functioning of standard chartered cash management.

To explore the future prospects of standard chartered cash management.

LIMITATIONS OF THE STUDY:

The limitations of present study are as follows:

The study does not fund flow.

The study is based mainly on secondary information.

The study does not touch all the units of standard chartered Bank.

The present study cannot be used for inter firm comparison.

Limited span of time is a major limitation for this project.

The act and figures of the study is limited to the period of FIVE years i.e. 2010-2014.

The data used in reports are taken from the annual reports, published at the end of the years.

The result does not reflect the day-to-day transactions.

It is also impossible to the study of day-to-day transactions in cash management.

The analysis of the working capital is taken FIVE years.

II. REVIEW OF LITERATURE

Khan and Jain (2013) define cash as “the ready currency to which all liquid assets can be reduced”. In the narrow sense, cash symbolize currencies and any other financial instruments that is generally accepted as a cash equivalent, such as bank drafts, demand deposits and cheques. In the broader perspective, however, cash includes “near cash” assets - assets that can be readily sold or converted into cash within a shorter time span. According to Khan and Jain (2013), “such assets provide a short-term outlet for excess cash and are also useful for meeting planned outflow of funds”. Dauter (1956) recognized money orders, and cheques drawn against demand deposits as cash. It should be noted that ,cash is considered as the firm’s least productive assets as it is not directly involved in the production of goods and services as in the case of other liquid assets (inventories and receivables), therefore, no direct returns (profit) will accrue to a firm when it holds cash in currency and in non-interest bearing accounts.

Despite the seemingly low or no return for holding cash, a number of reasons exist that motivate businesses to keep cash. Von Eije & Westerman, (2001) points out that “cash usually would not be needed if it were not for the market imperfections and resulting transaction costs of urgently needing cash at short notice if the need arises and there is no enough cash” 7 J.M Keynes (1936) identified only three (3) reasons of cash by excluding compensating motive. However, other writers have identified (4) reasons why cash is held are transaction, precautionary, speculative and compensating motive (Ross, Westerfield, Jaffe, 1996; Von Horne and Wachowicz, 1998; Khan and Jain, 2013)

Kytönen (2004) identified that; transaction motive is one of the main reasons why firms hold cash in the form of non-interest-bearing currency. Since firms financial obligations (For example, payment of wages and salaries, payments of bills and settlement of other operational expenses) are settled mainly through the exchange of cash, firms keep cash to settle such obligations when they fall due. It is therefore right to assert that, there is a positive correlation between the transactional motive of holding and the volume of transaction a firm engages in, in that the more payment the firm is expected to honour, the greater will be its transaction motive for holding cash.

Unfortunately, the amount of cash to be spent by the firm in the future with regards to transaction purposes cannot be determined with certainty as

emergencies can occur which will require the firm to make immediate cash disbursement. To prevent such situation, additional cash in excess of its transactional needs is kept as a precautionary measure and this is referred to as holding cash with a precautionary motive. 8 The amount of money that a business holds for this purpose depends on a number of factors such as, the attitude of the business towards risk and the uncertainty characterized with the cash outflow and inflow of the business According to Horne and Wachowicz (1992), “firm should endeavor to bring in profit on the cash set aside for precautionary and transaction needs by investing a larger percentage of it in “near cash” such as marketable securities” The more cash for precautionary motive are held in near cash assets, the less currency cash kept and the greater the interest earned, all other things being equal. However, Ross et al (1996) highlights that there is a trade-off between the interest revenue earned and the transaction costs involved in purchasing and selling such near cash assets.

III. DATA ANALYSIS & INTERPRETATION

PARTICULARS	1-4-2016	31-3-2017	CHANGES IN WORKING CAPITAL	
			INCREASE	DECREASE
Current assets:				
Inventories:				
Raw material	56,58,573	2,59,43,649	2,02,85,127	
Consumable stores	2,27,778	8,11,285	5,80,507	
Finished goods	43,96,436	43,89,338		7,128
Sundry debtors	3,14,37,406	1,55,43,947		1,55,93,439
Cash in hand	2,95,905	2,41,639		54,376
Balance with bank	3,75,067	2,38,667		1,36,400
Other current assets:				
Deposits	36,53,170	61,53,170		25,00,000
Income tax (advance tax)	27,23,822	27,23,822		
Sales tax	3,39,65,000	3,39,65,000		
Total current assets	8,24,33,177	9,00,07,437		
Current liabilities:				
Trade creditors	7,21,33,512	5,21,29,639	2,00,03,870	
Dealers deposits	4,45,000		4,45,000	
Expenses payable	16,29,621	22,56,726		7,27,135
Total current liabilities	7,41,12,160	5,43,86,365		
Working capital (current assets - current liabilities)	83,25,017	3,56,21,072		
Net Increase-in working capital	2,72,96,055			2,72,96,055
	3,56,21,072	3,56,21,072	4,38,17,473	4,38,17,473

Calculation of operating profit For the period (2015-2016 to 2016-2017)

Particulars	Amount (Rs)	Amount (Rs)
Net profit		54,80,528
Add: depreciation		1,62,33,240
Gross cash generated		2,17,16,768
Less: taxation for the year		---
Net cash generated		2,17,16,768

STATEMENT OF SOURCES AND APPLICATION OF CASH For the period (2015-2016 to 2016-2017)			
Sources	Rs	Applications	Rs
Secured loans vehicles	2,64,04,635	Increase in Gross Block	5,04,88,853
Unsecured loans	3,05,46,865	Secured loans paid	8,80,360
Cash from operation	2,17,16,768	Net increase in Working Capital	2,72,96,055
	7,86,65,268		7,86,65,268

Interpretation

From the above table it is observed that the net working capital of the company shows increasing trend. The current assets of the company have increased from Rs.8, 24, 33,177 to Rs.9, 00, 07,437 in 2016-2017. The current liability of the company showing decreasing trend from Rs.7, 41, 12,160 5, 43, 86,365 in 2016-2017. The net capital company stood at Rs.83, 25,017 in 2015-2016. And it is increased to Rs.3, 56, 21,072. The increasing working capital is recorded as Rs.2, 72, 96,055.

It is evident from the above table that the total cash flow during the period from 2015-2016. Amount Rs.7, 86, 65,267. In the total cash flow 27.65% was received from cash from operation, 33.56% received from secured loans and 38.8% was received from unsecured loans.

Regarding the application of cash 1.2% used for repayment of secured loans and 64.18% used for purchase of fixed assets and cash used for working capital constitution 34.69% respectively.

CONCLUSION:

It is concluded that during the period 2016-17 33.57% secured loans, 38.83% unsecured loans, 27.60% cash for operation. Increasing gross block 64.02%, 34.70% net increasing working capital, 1.15% secured loans paid.

PARTICULARS	1-4-2017	31-3-2018	CHANGES IN WORKING CAPITAL	
			INCREASE	DECREASE
Current assets:				
Inventories:				
Raw material	2,59,43,669	43,81,922		2,16,61,747
Consumable stores	8,05,285	28,17,814	20,06,526	
Finished goods	43,89,338	41,40,688		2,48,650
Sundry debtors	1,55,43,968	4,62,98,835	3,07,54,888	
Cash in hand	2,41,528	3,92,459	1,50,929	
Balance with bank	2,38,667	2,46,416	7,745	
Other current assets:				
Deposits	61,53,169	7,53,61,166	16,82,966	
Income tax (advance tax)	27,23,822	28,17,390	93,568	
Sales tax	3,39,65,000	3,99,65,000	60,00,000	
Total current assets	9,00,07,437	13,85,93,173		
Current Liabilities:				
Trade creditors	5,21,29,639	6,43,85,730		1,22,56,120
Expenses payable	26,56,726	24,93,600		2,36,874
Audit Fee	---	13,000		13,000
Total current Liabilities	5,43,86,365	6,68,89,330		
Working capital (current assets - current liabilities)	3,56,21,072	4,17,03,833		
Net Increase-in working capital	60,82,761			60,82,761
Total current assets	4,17,03,833	4,17,03,833	4,03,96,153	4,03,96,153

Calculation of operating profit For the period (2016-17 to 2017-18)

Particulars	Amount (Rs)	Amount (Rs)
Net profit		15,58,689
Add: depreciation		2,06,15,017
Gross cash generated		2,18,70,705
Less: taxation for the year		---
Net cash generated		2,18,70,705

STATEMENT OF SOURCES AND APPLICATION OF CASH FOR THE PERIOD (2016-17 to 2017-18)

SOURCES	AMOUNT	APPLICATIONS	AMOUNT
SECURED LOANS	4,72,912	SALES UNSECURED-LOANS	17,34,480
SECURED LOAN VEHICLE	1,86,13,566	GROSS BLOCK	3,32,36,937
CASH FROM OPERATION	2,18,70,705	INCREASE IN WORKING CAPITAL	60,82,762
	4,12,54,179		4,12,54,179

STATEMENT TO CHANGES IN WORKING CAPITAL

INTERPRETATION:

From the above table it is observed that the net working capital of the company shows increased From Rs. 9, 00, 07,439 to Rs. 13, 85, 93,173 in 2017-18. The Rs. 6, 68, 89,330 in 2017-18. The net working capital of the company

stood Rs. 3, 56, 21,073 in 2016-2017. And it is increased to Rs. 4, 17, 03,833. The increasing Working capital is recorded as Rs. 60, 82,761.

It is evident from the above table the total cash flow during the period from 2017-18. Amount Rs 4, 12, 54,179. In the total cash flow 53.40% was received from cash operation and 45.44% was received from unsecured loans (vehicles) and 1.16% was received from secured loans.

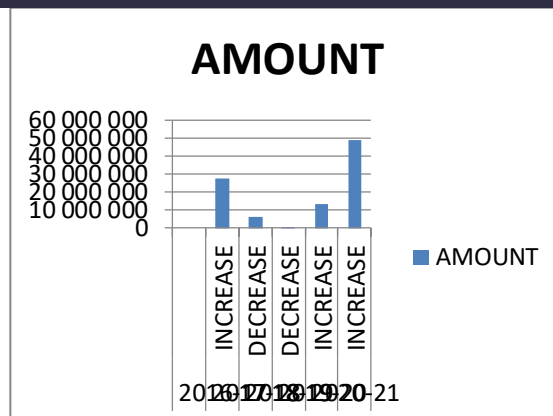
Regarding the application of cash 3.99% used for repayment of unsecured loans and 81.17% used for purchase of fixed assets and cash used for working capital constitution 17.85% respective.

CONCLUSION:

It is concluded that during the period 2017-18 more than 53.4% of the cash came trading activities 1.17% used in secured loans, 45 the application of cash around 81.17% of the cash utilized for investing in fixed assets. And 3.99% used for repayment of unsecured loans.

NET INCREASES IN WORKING CAPITAL

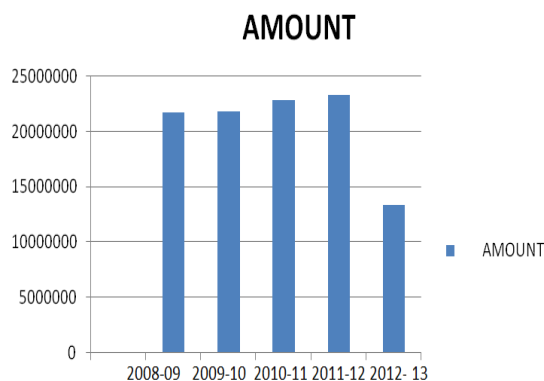
YEAR	INCREASE / DECREASE	AMOUNT
2016-17	INCREASE	2,72,96,055
2017-18	DECREASE	60,82,761
2018-19	DECREASE	6,61,506
2019-20	INCREASE	1,36,43,361
2020-21	INCREASE	4,86,91,873.85



The above table observed that the working capital decreased in year 2017 – 18 the working capital has been increased by Rs. 42, 88,788. In the year 2016-17 the working capital is Rs. 27, 29,055. & in the year 2017 – 18 working capital is Rs. 60, 82,761. Due to the increase in current liabilities the net working capital is decreased.

Changes in cash from operations

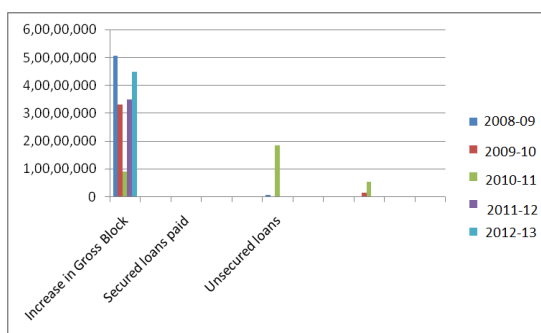
YEAR	AMOUNT
2016 – 2017	2,17,16,768
2017 – 2018	2,18,70,705
2018 – 2019	2,28,49,042
2019 – 2020	2,33,71,281
2020 -2021	16,417545



The above table explains that continuous fluctuations in flow of cash from operation. In the year 2017-18 the cash from operation is Rs.2,18,70,705. The cash from operation in the year 2018-19 is 2,28,49,042 & it has increased to Rs.2,33,71,281. In the year 2019-20. The cash from operation in the year 2020-21 is Rs. 1, 64, 17,545-00.

USES & APPLICATION OF CASH

APPLICATION	2016-17	2017-18	2018-19	2019-20	2020-21
Increase in Gross Block	5,04,88,853	3,32,36,937	92,42,544	3,50,70,719	44,95,836
Secured loans paid	8,80,360	-----	1,84,70,442	----	20,41,570
Unsecured loans	----	17,34,480	55,17,348	2,43,186	20,5716



The above table shows that Gross block has increased to Rs. 5, 04, 88,853 in 2016-17. & Rs. 3, 32, 36,937 in 2017-18. The secured loans paid Rs.8, 80,360 in 2016-17 &Rs.1, 84, 70,442 in 2018-19. The unsecured loans paid Rs.17, 34,481 in the year 2017-18. Next year Rs.55, 17,348. And the last year Rs.2, 43,186

IV. FINDINGS, SUGGESTIONS & CONCLUSIONS

FINDINGS

During the period 2016-2021 more than 28% of the cash came from trading activities. In the application of cash around 91% utilized for investing in fixed assets.

During the period 2016-2021 more than 27% of the cash came from trading activities. The application of cash around 64% of the cash was utilized for investing in fixed assets.

During the period 2016-2021 more than 53.41% of the cash came from trading activities. In the application of the cash around 81.17% of the cash are utilized for investing in fixed assets.

During the period 2016-2021 more than 67.42% of the cash came trading activities. In the application of the cash 27.27% of the cash are utilized for investing in fixed assets.

During the period 2016-2021 more than 47.74% of the cash came trading activities. In the application of the cash 71.64% of the cash are utilized for investing in fixed assets.

During the period 2016-2021 more than 54.25% of the cash came trading activities. In the application of the cash 71.64% of the cash are utilize for the investing in fixed assets.

SUGGESTIONS

- For the improving the financial performance of the company the following suggestions are made.

- In order to reduce the outside borrowings in the company has to acquire. The capital from equity sources. Keeping in view the debt equity the proportion as normal.

- The liquidity of the company should be improved by maintaining the optimum current assets and liquid assets according to standard norms.

- The quantum of the sales generated should be improved impressively in order to attain higher

return on investment. To improve the financial health of the company and maximizing the time between the source mobilization and utilization the management must introduce the new cost saving techniques.

CONCLUSION

The study allowed us get answers regarding the service awareness among people and the problems it faces. The key findings and analysis of the survey showed the following

A large number of clients and customers call the branch frequently to handle banking issues, this shows the keenness of the customers to call the branch for almost every small issue. The service Straight2bank does provide an answer to the problem of the customers.

The service provided by staright2bank does offer the main requirements of the customers for which they visit or call the branch

All the respondents wanted to carry out the banking needs at their convenience. This means the service caters the banking needs that customers generally require and its main benefit of banking while sitting at office is desired by one and all, thereby proving that the service does have the potential usage.

Few of the respondents were aware about the service which was desired by 130% respondents clearly showing that there has been a falter in its promotion and awareness strategies.

Customers were not aware that the service was a free one, this is clear that almost all the attributes of the services are favorable to the customers still customers are not using the service and are not even aware of it.

Almost all customers once educated about the service readily enrolled for it whereas a mere portion did not trust the bank and thought that the bank would have some hidden charges that they are not putting forward

Many clients who enrolled for the staright2bank service would have problems using it as the drop boxes are not strategically placed many areas do not even have drop box facility; Standard chartered Bank must look into the policies of installing the drop box. They should assign it to the regional office or allow branches to put up boxes where the branch thinks it would be optimally utilized no matter which area of the city as of now that branches are allowed to put up drop boxes in a radius which falls in close by areas to the branch. A

customer who lives close by to the branch would not use this service whereas customers who are far of require the service, however the branch cannot provide them with the facility as they cannot install the boxes in that area and it is the duty of the local branch of that area to put up boxes which is not happening they hardly know where customers of the other branch are located

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