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The Study of Cash Management System on Esston technology Pvt. Ltd.

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ABSTRACT:

The purpose of this research is to understand the "Study of cash management system of company with special reference to Esston Technology Pvt Ltd. This project is prepared in fulfillment of the Summer Internship Program (SIP) under the Masters in Business Administration (MBA) course of Zeal Education Society. During the summer project at Esston Technology Pvt Ltd., I have very well realized the fact that practical learning is far better than classroom teaching. With this project I have learned how the Product Module Overview. LMS is an advanced and comprehensive cash management system that aims to improve the quality, turnaround time and service for end-customers. It enables management to improve the agility, transparency and efficiency of their lending solutions.

INTRODUCTION

Cash management is the management of the balances of a concern in such a managers. On to minimize the availability of cash not invested in fixed assets or inventories and to avoid the risk of insolvency. According to keygen these are three motives of bolding cash. The transaction motive, the precautionary motive, and the speculative motive are the most useful technique of cash management.

OBJECTIVE OF STUDY

- To identify the cash efficiency on the basis of available data.
- To analyze liquidity position of the firm.
- To evaluate cash flow place of the firm.
- To study on cash organization techniques of the firm.

RESEARCH METHODOLOGY

Methodology of Research concern itself with obtaining information through Empirical.

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Observation that can be used systematic develop logically related proposition so as to. Attempt to establish causal relationship among variable. The research methodology adopted was based primary data via is most resent of first-hand information that could be collected for all possible sources. Secondary data are used to support primary data whenever needed.

Use of Research Type:-

1. **Analytical Research**: - It means analysis of past data observing that data and doing research.
2. **Fundamental Research**: - Analyzing stock values is a method of Fundamental Research. Underlying business is the main focus of the Fundamental analysis. Revenues, earnings, assets, debts, management teams, etc.all the mentioned are included in Fundamental Research. Technical analysis is an analysis which only concentrates at the price can be substituted by the Fundamental analysis.

Data Collection :

Primary Data

The data which happens to be original in character and is collected for the first time is called as Primary data.. For this project only primary data is collected.

Secondary Data

The data which is previously collected by someone else and which is earlier passed through statistical process is called Secondary Data.

Collection of secondary data:-

1.Internal source- a) Annual report of Esston Technology Pvt Ltd.

b) website-www.esston.in

c) office files

DATA ANALYSIS

RATIO ANALYSIS

1. **CURRENT RATIO**

Current ratio is maximum mutual relation for assessing liquidity. It exemplifies the "ratio of present assets to present liabilities". It is similarly known as working capital ratio. It is computing by in-between current assets by current liabilities.

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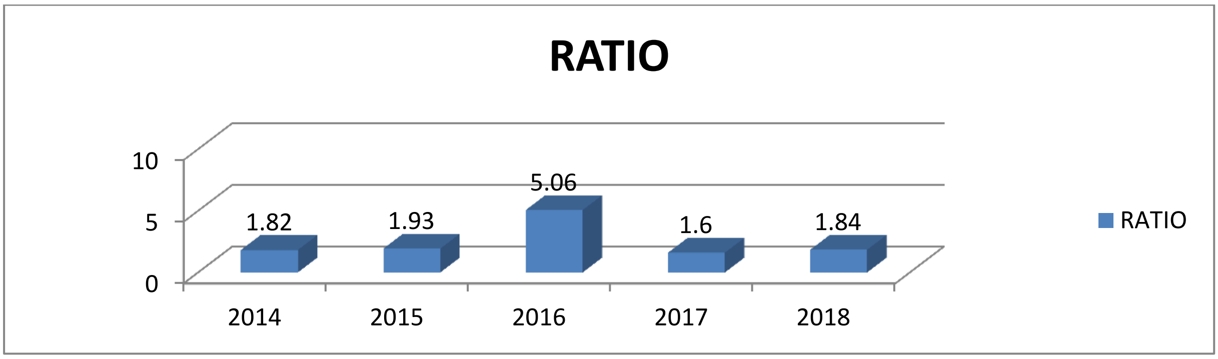
TABLE 1

YEAR	CURRENT ASSETS	CURRENT LIABILITY	RATIO
2014	22850.13	12850.13	1.82
2015	23244.95	12511.39	1.93
2016	87303.9	17225.7	5.06
2017	25868.68	16109.9	1.60
2018	39606.45	21440.45	1.84

CHART 1.2



INTERPRETATION

The year 2014 the current ratio was 1.82 and in 2015 the ratio was increased by 1.93and in 2016the ratio was highly increase by 5.06. In the year 2017 the present ratio was reduced to 1.60. in case of 2018 the last year the ratio was lightly growth to 1.84 i.e. present assets double the current liability 9 is measured to be reasonable.

2. ABSOLUTE LIQUID RATIO

The ratio is gained by in-between cash and marketable safeties by current liabilities. it is similarly known as cash situation ratio.

Absolute liquid ratio = <u>cash + marketable securities</u>

Current liabilities

TABLE 2

Year	Current liabilities	Absolute liquid Ratio	Ratio
2014	12850.11	3246.13	0.257
2015	12511.37	1644.9	0.138
2016	17925.7	5504.48	0.318

2017	16809.9	3981.93	0.245
2018	21240.45	5092.96	0.236

CHART 2.1

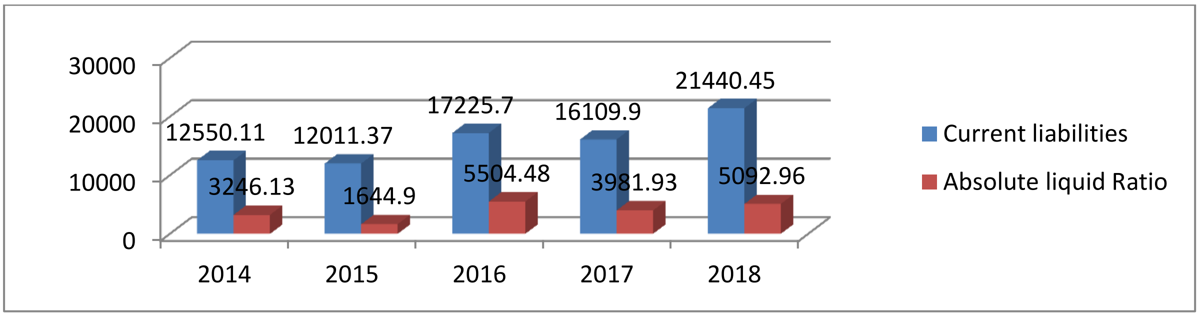
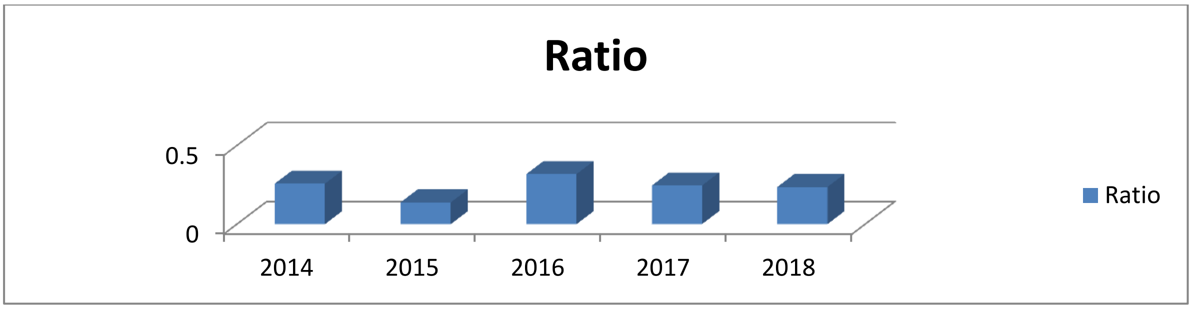


CHART 2.2



INTERPRETATION

In the chart the ration in 2014 was 0.257. and year 2015 ratio was reduction by 0.138. and the year of 2016 the ratio was slightly increase with 0.318. and the year in 2017 the ratio was decrease with 0.245. the year of five that means the year of 2018 the ratio was decrease by 0.236.

3. CASH TO WORKING CAPITAL

$$\frac{\text{Cash and Cash Equivalents + Marketable Securities}}{\text{Total Current Assets – Total Current Liabilities}}$$

TABLE 3

YEAR	CASH	WORKING CAPITAL	RATIO
2014	3246.11	9299.98	0.348
2015	1644.4	12233.52	0.133
2016	5504.46	11078.0	0.495
2017	3891.91	9859.07	0.402
2018	5092.94	17965.98	0.282

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CHART 3.1

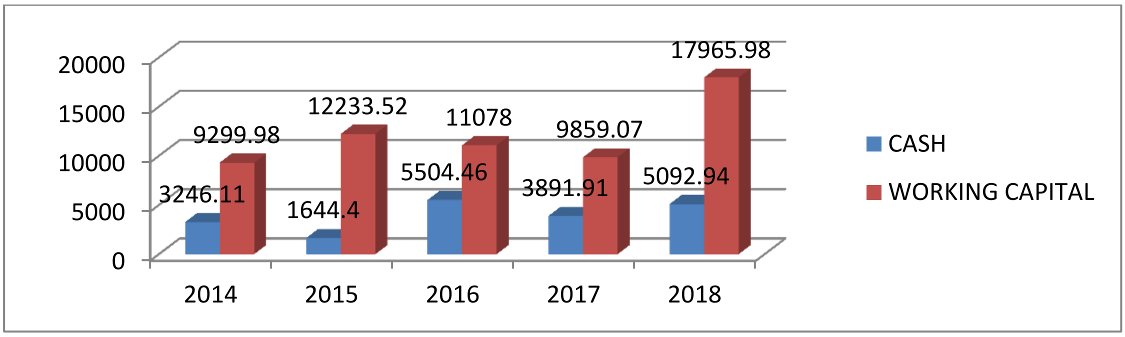
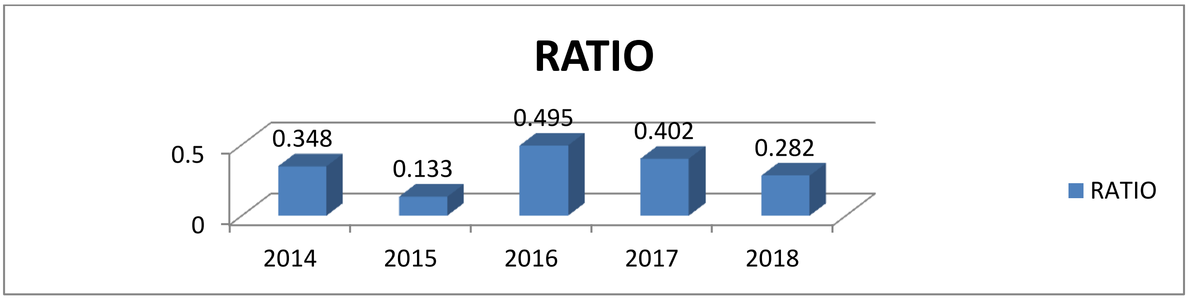


CHART 3.2



INTERPRETION

In the year 2014 the ratio was 0.348. and the next year 2015 the ratio was decreased with 0.133. and the another next year the ratio was slightly increase which was in the year 2016 the ratio was 0.495. and year 2017 ratio was decrease 0.402. and year 2018 the ratio again decreased with 0.282.

4. GROSS PROFIT RATIO

TABLE 4

Year	**Gross Profit**	**Sales**	**Ratio**
2014	20353.61	24348.16	83.58
2015	23816.10	31555	75.46
2016	23959.34	36641.1	65.38
2017	32704.96	44006.28	74.31
2018	43276.37	51564.32	83.96

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CHART 4.1

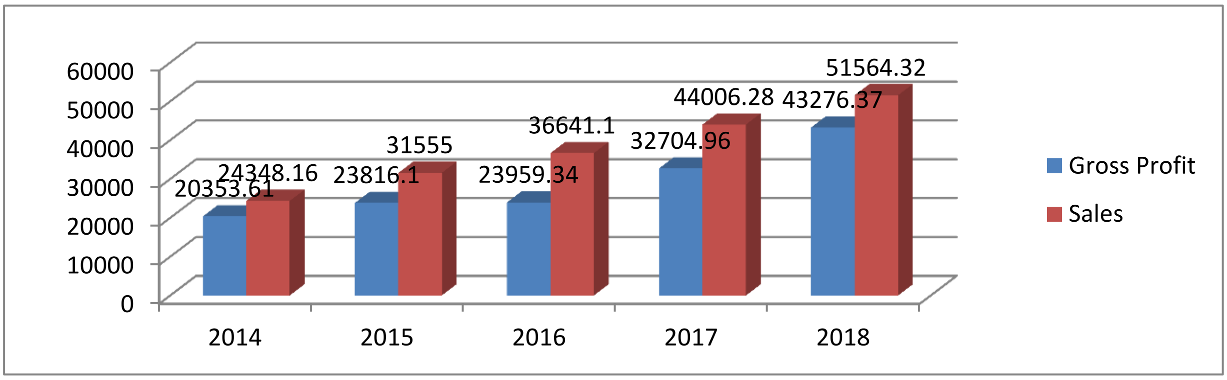
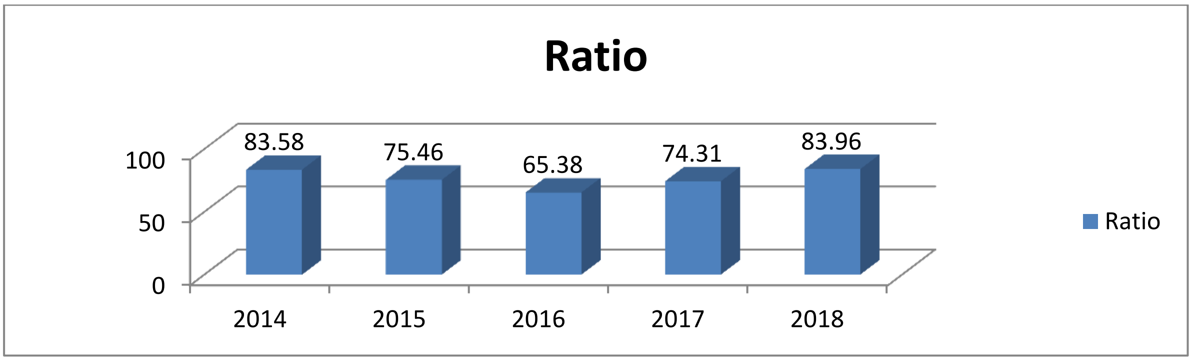


CHART 4.2



INTERPRETATION

In year 2014 gross ratio was 83.58.and in 2015 the gross ratio was decrease which is 75.46. and in the year 2016 the ratio was again decreased with 65.38. andthe next year 2018 the ratio was increase 74.31. and the year of five the ratio was again increase with 83.96. the whole five year the ratio only decrease in 2016.

5. NET PROFIT RATIO

TABLE 5

YEAR	NET PROFIT	SALES	RATIO
2014	2724.02	24348.16	11.17
2015	2159.10	31557	6.92
2016	1679.31	36641.1	4.60
2017	2240.30	44006.28	4.9
2018	2796.80	51564.32	5.1

CHART 5.1

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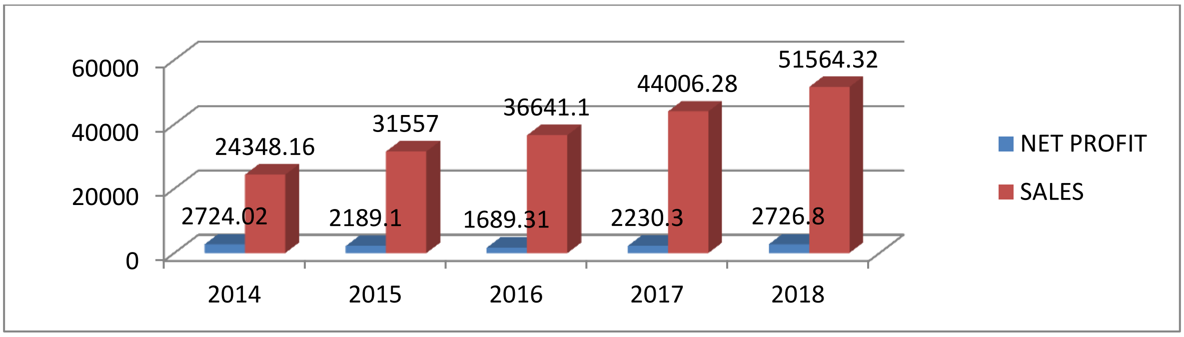
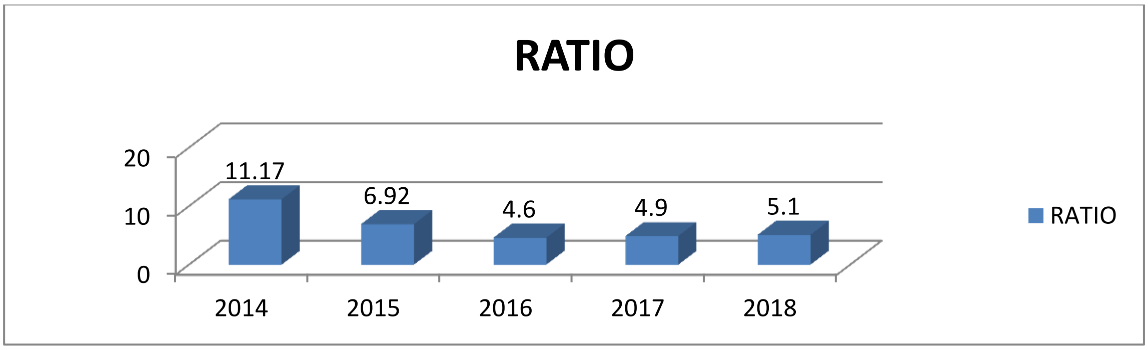


CHART 5.2



INTERPRETATION

In the first year the ratio was highest than other years ratio. In year 2014 the ratio was 11.17. and next year 2015 ratio was decrease with 6.92. and next year which 2016the ratio was again reduction which was 4.6. in the 2017 the ratio was slightly increase with 4.9. the next year 2018 the ratio was again increased with 5.1.

SUGGESTIONS :

- Esston technology pvt ltd must maintain apt liquidity position. This indicates that the Esston Technology Pvt Ltd needs to improve its short-term financial position.
- Block funds used properly and profitability.
- Firm should maintain optimum cash balance throughout the year.
- Solvency position is to studied and steps to be taken for improving it.

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LIMITATIONS :

- The project work conducted was only based on financial data available.
- Company cannot publish their overall financial data. They maintain secrecy regarding the data.
- The ratios are calculated on the basis of past financial statements so it will not show the current position of the organization.
- Due to lack of primary data the entire project is based on the secondary data provided by the bank.

CONCLUSION :

- In this study, an analysis on Efficiency of cash Management of Esston Technology Pvt Ltd. Was done. The Efficiency of the firm during last five years is taken up for study. The Efficiency of funds has been analyzed on the basis of data collected from The Annual Report of Esston Technology Pvt Ltd. The Efficiency of Cash Management in Esston Technology Pvt Ltd was analyzed with the help of ratio analysis and correlation co-efficient.

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