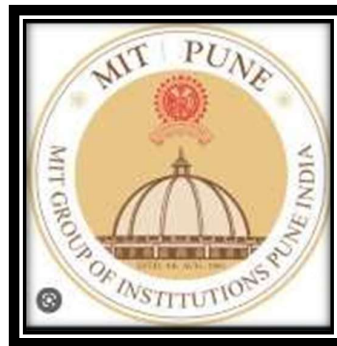




**A
PROJECT REPORT
ON
“A STUDY ON FUND FLOW ANALYSIS”
UNDERTAKEN AT
“M/S TECHNOMAX ENGINEERING PRODUCTS”
IN PARTIAL FULFILMENT OF
POST GRADUATE DIPLOMA IN FINANCE AND MANAGEMENT
MIT SCHOOL OF DISTANCE EDUCATION, PUNE**



**GUIDED BY
MR. BHANDURGI A.**

**SUBMITTED BY
MR. DEELIP KRUSHNAPPA PATIL
Student Registration No. MIT2020001437**

**MIT SCHOOL OF DISTANCE EDUCATION
PUNE -411038
YEAR 2022-2023**



DECLARATION

I hereby declare that this project report entitled “**A STUDY OF FUND FLOW ANALYSIS**” is the bonified record of the project work carried out by me during the academic year 2021-2022 in **POST GRADUATE DIPLOMA IN MANAGAMENT (PGDM)** of **MIT School Distance Education, Pune.**

This work has not been undertaken or submitted elsewhere in connection with my other academic course.

Deelip Krushnappa Patil
Student ID:-MIT2020001437



ACKNOWLEDGEMENT

I Would like to take this opportunity to express my sincere thanks and grateful to **Mr. AJIT BHANDURG** of **TECHNOMAX ENGINEERING PRODUCTS**, for giving me opportunities to my project work in your esteemed organization and it has indeed been a great learning and enjoyable experience.

I would like to express my deep sense of gratitude and profound thanks to all staff members of **TEHNOMAX ENGINEERING PRODUCTS**, for there kind support and cooperation which helped me in gaining lots of knowledge and experience to my project work successfully.

last but not least, I am thankful to my family and friends for their moral support, endurance and encouragement during the course of the project.

Deelip Krushnappa Patil

Student ID:-MIT2020001437



LIST OF CONTENT

| CHAPTER NO. | TITLE | PAGE NO |
|--------------------|---|----------------|
| 1 | INTRODUCTION TO STUDY AND REASERCH | 5– 9 |
| | | |
| 2 | THEORETICAL BACKGROUND | 10 – 21 |
| | | |
| 3 | INTRODUCTION TO THE ORGANISATION | 22 – 33 |
| | | |
| 4 | DATA ANALYSIS & INTERPRETATION OF DATA | 34 – 49 |
| | | |
| 5 | FINDINGS, SUGGESTIONS, CONCLUSION | 50 – 56 |
| | | |
| | BIBLIOGRAPHY | 57-57 |



CHAPTER I
INTRODUCTION TO THE STUDY
AND RESEARCH



1.1 INTRODUCTION

The fund flow statement is a financial statement that reveals the sources and application of funds for any enterprise over a period of time. It shows changes in capital during an accounting period including cash inflows and outflows related to financing activities, investment activities and operating transaction.

It is continuous process. The study and control of this funds-flow process (i.e., the uses and sources of funds) is the main objective of financial management to assess the soundness and the solvency of the enterprise. The funds-flow-statement is a report on financial operations changes, flow or movements during the period. It is a statement which shows the sources an application of funds or it shows how the activities of a business are financed in a particulars period. In other words, such a statement shows how the financial resources have been used during a particular period of time.

1.2 MANAGEMENT PROBLEM

The wants to compare current financial performance with their past performance so that they can take decision about their future investment and planning.

1.3 TITLE OF THE STUDY

“A STUDY ON FUND FLOW ANALYSIS”With reference to M/S.TECHNOMAX ENGINEERING PRODUCTS, OGLEWADI.

1.4 OBJECTIVE OF THE STUDY:

- 1.To Study the concept of fund flow statement in detail
2. To study financial strength and weaknesses of the business.
3. To analyze the changes in current assets and current liabilities in details.



4. To provide conclusion & suggestion based on data analysis & interpretations.

1.5 IMPORTANCE OF THE STUDY:-

The following are the important uses which the management can derive from the fund Flow Statement:

1. The study is important to understand the concept of fund flow statement.
2. The study will be helpful to the company to know their financial position and working capital of company.
3. The study will help the researcher for fund flow statement analysis.

1.6 SCOPE OF THE STUDY:

1. Topical Scope of the Study:

The topical scope of the study is Fund Flow Statement Analysis with reference to TECHNOMAX ENGINEERING PRODUCTS, OGLEWADI.

2. Geographical Scope of the Study:

The Organizational scope of the study is related with TECHNOMAX ENGINEERING PRODUCTS, OGLEWADI.

3. Analytical Scope of the Study:

The analytical scope of the study is related with analysis of data & interpretation of the financial data from for financial years 2017-18 of company.

4. Functional Scope of the Study:



The functional scope of the study is related with using techniques like ratio, graphs.

1.7 LIMITATION OF THE STUDY

1. This study is limited to TECHNOMAX ENGINEERING PRODUCTS, OGLEWADI.
2. Due to the time constraint of 60 days, the span of the study is confined to three years only.
3. In order to maintain secrecy, all information was not disclosed by the authorities.



1.8 RESEARCH METHODOLOGY

1.7.1 Introduction:

Research Methodology is a systematic way to solve research problems. Data is foundation of any research process data means facts of information collected systematically & presented for the purpose of drawing inferences.

1.7.2 Data Collection:

A study has been used for the present study is based on two sources:

- 1) Primary Data
- 2) Secondary Data

1. PRIMARY DATA:

The primary data is the first hand data information collected by researcher with has own efforts such information is totally new in nature, authentic & genuine.

Primary data can be collected through observation, interview or questionnaire method. The researcher had taken personal interview of assistance of financial department to study different department work & to understand the comparative study & discussion with the staff member.

2. SECONDARY DATA:

Secondary data is the second hand information collected by researcher for this research work. It refers to data which already has been collected by someone else but is useful for present study. The secondary data has been obtained from:

- ❖ Annual reports
- ❖ Company Website



CHAPTER II
THEORETICAL BACKGROUND



2.1 INTRODUCTION TO STUDY:

It is continuous process. The study and control of this funds-flow process (i.e., the uses and sources of funds) is the main objective of financial management to assess the soundness and the solvency of the funds-flow-statement is a report on financial operations changes, flow or movements during the period. It is a statement which shows the sources an application of funds or it shows how the activities of a business are financed in a particulate period. In other words, such a statement shows how the financial resources have been used during a particular period of time. It is, thus, a historical statement showing sources and application of funds between the two dates designed especially to analyses the changes in the financial conditions of an enterprise.

Definition:

In the words of Foulke, it is-“A statement of Sources and Application of Funds is a technical device designed to analyze the changes in the financial condition of a business enterprises between two dates”. Funds Flow Statement is not an income statement. Income statement shows the items of income and expenditure of a particular period, but the Funds flow statement is an operating statement as it summaries the financial activities for a period of time. It covers all movements that involve an actual exchange of assets. Various titles are used for this statement such as 'Statement of sources and Application of Funds', 'Summary of Financial operations,' 'Changes in Financial Position', 'Fund received and Disbursed', 'Funds Generated and Expended', 'Changes in Working Capital’, “Statement of Fund' etc. Title of Funds Flow Statement has been modified from time to time. Really it is very difficult to find a short time for such statement which carries much to the readers regarding its contents and functions. A new interpretation of the term



'funds, has now been adopted as to include assets or financial resourceful which do not flow through the working capital accounts. It seems to be the most suitable meaning for the term 'funds' but the most commonly used interpretation of the term 'funds' is 'working capital'

A Balance sheet is a static statement showing the financial position of a business on a particular day; it does not throw any light on the changes in the items that have taken place over a certain period. For this purpose it is necessary to compare the two balance sheets as on two dates as at the date of commencement of the period i.e. a closing balance sheet. The comparison of the two balance sheets indicates the changes in the items, whereas the funds flow statement discloses the reason of such changes. For example, if there is an increase in the value of machinery by Rs. 50000 and there is also corresponding increase in the amount of debenture during the period, it can be concluded that the funds made available by issue of debenture are used for purchase of machinery. The change in the financial position does result from operating profit. The success or the failure of any business depends upon the availability of funds and their better utilization. The funds flow statement reveals the sources from which the funds are made available and how they are utilized or applied. In other words the funds flow statement explains in brief the changes occurred in the items in two balance sheets.

2.2 OBJECTIVES OF FUND FLOW STATEMENT:

The utility of this statement can be measured on the basis of its contributions to the financial management. It generally serves the following purposes:-

(1) Analysis of Financial Position. The basic purpose of preparing the statement is to have a rich into the financial operations of the concern. It analyses how the funds were obtained and used in the past. In this sense, it is



a valuable tool for the finance manager for analyzing the past and future plans of the firm and their impact on the liquidity. He can deduce the reasons for the imbalances in uses of funds in the past and take necessary corrective actions. In analyzing the financial position of the firm, the Funds Flow Statement answers to such questions as-

1. Why were the net current assets of the firm down, though the net income was up or Vice versa?
2. How was it possible to distribute dividends in absence of or in excess of current Income for the period?
3. How was the sale proceeds of plant and machinery used?
4. How was the sale proceeds of plant and machinery used?
5. How were the debts retired?
6. What became to the proceeds of share issue or debenture issue?
7. How was the increase in working capital financed?
8. Where did the profits go?

Though it is not an easy job to find the definite answers to such questions because funds derived from a particular source are rarely used for a particular purpose. However, certain useful assumptions can often be made and reasonable conclusions are usually not difficult to arrive at.

(2) Evaluation of the Firm's Financing: -One important use of the statement is that it evaluates the firm's financing capacity. The analysis of sources of funds reveals how the firm's financed its development projects in the past i.e., from internal sources or from external sources. It also reveals the rate of growth of the firm.

(3) An Instrument for Allocation of Resources: -In modern large scale business, available funds are always short for expansion programmes and there is always a problem of allocation of resources. It is, therefore, a need of



evolving an order of priorities for putting through their expansion programmes which are phased accordingly, and funds have to be arranged as different phases of programmes get into their stride. The amount of funds to be available for these projects shall be estimated by the finance with the help of Funds Flow Statement. This prevents the business from becoming a helpless victim of unplanned action.

(4) A Tool of Communication to Outside World: -Funds Flow Statement helps in gathering the financial states of Business. It gives an insight into the evolution of the present financial position and gives answer to the problem 'where have our resources been moving?' In the present world of credit financing, it provides a useful information to bankers, creditors, financial, it provides a useful information's and government etc. regarding amount of loan required, its proposes, the terms of repayment and sources for repayment of loan etc. the financial manager gains a confidence born out of a study of Funds Flow Statement. In fact, it carries information regarding firm's financial policies to the outside world.

(5) Future Guide.-An analysis of Funds Flow Statements of several years reveals certain valuable information for the financial manager for planning the future financial requirements of

the firm and their nature too i.e. Short term, long-term or midterm. The management can formulate its financial policies based on information gathered from the analysis of such statements. Financial manager can rearrange the firm's financing more effectively on the basis of such information along with the expected changes in trade payables and the various accruals. In this way, it guides the management in arranging its financing more effectively.

2.3 MEANING OF FUND:



The term taken 'Fund' is used in three different meanings: In its narrow sense it is taken as 'Cash'. When it is taken as 'Cash' statement prepared is termed as "Statement" which shows incoming and outgoing of cash only. All Receipts of cash from the sources of funds; whereas all payments in cash from the Application or uses of funds.

This is a narrow concept because all movements which affect the financial position of a business but which do not involve cash receipt or payments fall outside the scope of the term 'Fund' e.g. credit purchase of furniture, or issue of shares for purchases of goods etc.

The term 'Fund' when used in its broadcast sense, it covers all assets and liabilities side shows the sources of funds. The above two concepts a two extremes, and the most accepted concept is the "Working capital concept" This concept covers all movements that affect the working capital. Any movement which increases working capital is a source of fund e.g. sale of fixed assets, as it results into increase in current asset and any movement which decreases working capital is an application of fund e.g. repayment of debentures as it decreases the current asset. The drawback of this concept is that is that it does not take into consideration the movements which do not affect the working capital e.g. Purchase of machinery by issue of shares; or repayment of creditors.

2.3.1 Flow of Fund:

In simple words it means movements of funds i.e. incoming of funds from different sources and their outgoing i.e. use for different purposes, such as purchase of assets or repayment of liabilities etc. Thus a flow of funds effects change in the amounts of funds that means working capital.

Flow of fund means movement of fund. I take the example of air; we can feel its movement or flow of air. Same thing is happen with fund, due to the



activity of business fund is transfer from one asset to another assets. If fixed assets are converted into current asset or fixed liability is converted into current liabilities, these are the flow of fund. But if current assets are changed with current assets or current assets are changed into current liabilities, then, there is no flow of fund because there is no change working capital. Suppose, we get the money from debtor, this is not flow of fund because, working capital is not changed. Both items of current assets and when current assets change into current assets, there will not be change in working capital.

Flow of Fund = Fixed asset changes into current asset or current asset changes into fixed assets

OR

Fixed liability changes into current liability or current liability changes into fixed liability

2.3.2 Inflow and outflow of Funds:

If a business transaction results in increase in the funds i.e. working capital it is an inflow or source of funds which increases cash hence it is an inflow or sources of funds. When a business transaction reduces the working capital it is said to be an outflow or application of funds .Since this transaction results in reduction of cash it is outflow of funds.

Revenue items i.e. revenue expenses and incomes have not been considered. Revenue incomes and expenses do not belong to either of the categories. But we know that all revenue accounts are closed by transferring their salaries A/c is charged to profit and loss account, whereas bad debts are charged to provision for doubtful debts A/c.

2.4 PREPARATION OF FUND FLOW STATEMENT:



Firstly we have to prepare fund from operation, schedule for changes in working capital to find increase or decrease in working capital, then adjusted profit & loss account if opening and closing balances of profit and loss account are given. After calculating all these terms the account form or report form of fund flow statement is prepared.

2.4.1 Fund from Operation:

Instead of showing sales, closing stock, as sources of funds and opening stock, purchases, and expenses as applications of fund, net fund, net profit may be taken as net loss as net applications.

If net profit given is after charging the items such as depreciation on fixed assets, loss on sale of fixed assets, preliminary expenses etc. Which do not result in application of funds, they must be added back to the profit while calculating funds from operation. Similarly the items which are credited to profit and Loss A/c but are not the sources of income, such as profit on sale of fixed assets, re-transfer of excess provision etc. Must be deducted from the profit. The net amount arrived at after making such adjustments is the amount of funds from operation. In short it means the expenses and the incomes which result from operation only are to be considered.



| | |
|---|--|
| <p>Net profit as per Profit & Loss A/c</p> <p>Add:</p> <ol style="list-style-type: none"> 1) Depreciation of fixed assets charged to P&L A/c 2) Amounts written off in respect of Preliminary expenses , discount on issue of shares /Debentures, Goodwill, patent, premium on redemption of preference shares etc 3) Provision for taxation charged to P&L A/c 4) Dividend paid out of current years profits 5) Appropriations of Retained earnings 6) Loss on sale of fixed assets charged to P&L A/c 7) Any other expenditure charged to P & L A/c <p>Less:</p> <p>Saving from provision credited back to P& L A/c</p> <ol style="list-style-type: none"> 1. Profit on sale or revaluation of fixed assets credited to P& L a/c 2. Dividends Received from outside credited to P &L A/c 3. Any other income not affecting the fund, credited to P & L A/c. | |
| FUND FROM OPERATIONS | |

2.4.2 Schedule for changes in working capital:



A format of changes in working capital is as under:

| Asset and liabilities | Previous Year Rs. | Current Year Rs. | Changes in working capital | |
|--|-------------------------|------------------------|----------------------------|-----------------|
| | | | Increase Rs. | Decrease Rs. |
| Current Asset: | | | | |
| Stock in trade | | | | |
| Debtors | | | | |
| Cash balance | | | | |
| Bank Balance | | | | |
| Prepaid Exp. | | | | |
| Total A | | | | |
| Current Liabilities: | | | | |
| Sundry creditors | | | | |
| Outstanding exp. | | | | |
| Bills Payable | | | | |
| Bank overdraft | | | | |
| Total B | | | | |
| Net working Capital (A-B) | | | | |
| Increase/ Decrease in working capital | | | | |



2.4.3 Fund Flow Statement:

The Performa of fund flow statement is as under:

| Sources of fund | Amount | Application of fund | Amount |
|---|--------|---|--------|
| Fund from operation | | Loss from operation | |
| Issue of share capital | | Redemption of shares | |
| Issue of debenture | | Redemption of debentures | |
| Long term loan taken | | Repayment of long term loan or other fixed assets | |
| Sale of investment and other fixed assets | | Non trading payments | |
| Non trading receipts | | Increase in working capital | |
| Decrease in working capital | | | |
| Total | | Total | |



2.5 LIMITATION OF FUND FLOW STATEMENT:

The following are some of the limitation of fund flow statement, these limitation are to be kept in mind while drawing any conclusion about the operating results and financial soundness on the basis of the fund flow statement.

- ❖ Fund flow statement is being criticized as the one which rearranges the financial data extracted from the financial statement.
- ❖ The Funds flow statement is also being criticized as not furnishing anything new an original over the conventional financial statement
- ❖ It is based on historical data as it bases its preparation on the conventional financial statement.
- ❖ Some of the transaction affecting only the non-current items is sometimes not considered while preparing the fund flow statement.

2.6 IMPORTANCE OF FUND FLOW STATEMENT:

- ❖ It is important to researcher to know the brief consequences of organization transactions operational, financial and investment.
- ❖ Fund flow statement helps to organization to know the changes in working capital and factors which caused the change in working capital.
- ❖ The statement is most useful to the lending authorities for the sanction of loans to the company.
- ❖ Through the fund flow statement organization is able to plan for the repayment of long term and other debts.

It shows the information about the sources from which the company has mobilized the resources or fund during the year.



CHAPTER III
INTRODUCTION TO THE ORGANISATION



3.1 INTRODUCTION

TECHNOMAX ENGINEERING PRODUCT industry is small scale industry producing quality sheet metal press components in engineering sector this is a private sector.

The industry we based on partnership deed and profit sharing ratio is some 50% and total decision is taken by both partners.

The TECHNOMAX ENGINEERING PRODUCT manufacturing components and tool. In the market price the last 22 years the basically a research and development firm the TECHNOMAX ENGINEERING PRODUCT a license holding manufacturer of engineering works.

Since, inception TECHNOMAX ENGINEERING PRODUCT has chosen research and development the path to develop the optimal solution to meet customer requirement.

All production is taken by man and machine power. The machine has the capability to produce the product speedily as compared to manual labor. All workers work on clock hour basic.

The company presently has a capacity a produce 200 tons of press metal components per month. An expansion plans is underway to increase the capacity to 300 tons per month. This expansion plan includes the installation of lath machine and milling machine components, the company also purposes to increase its production capacity.



3.2 COMPANY PROFILE

| SR. NO. | PARTICULARS | INFORMATION |
|----------------|-----------------------------|--|
| 1 | Name Of Organization | Technomax Engineering Products |
| 2 | Address | A/P Ogalewadi (M. S. E. B.) Tal.:- Karad Pin No.:- 415105 |
| 3 | Name Of Owner | ShrikantKalburgi |
| 4 | E-Mail | Technomax@sanchanet.com |
| 5 | Production | 300 per tons (per month) |
| 6 | Turnover | 3 to 4 Cr. Annual |
| 7 | Employees Numbers | 100 |
| 8 | Total Shift | Two (Wednesday To Monday) |
| 9 | Board Of Directors | Mr. ShrikantKalburgi Mr. Amol Kalburgi (Both Partners) |
| 10 | Logo | TECHNOMAX |
| 11 | Software Area | Tally .ERP |



3.3 LIST OF DIRECTORS

TECHNOMAX ENGINEERING PRODUCT is a private sector industry and the operation is partnership deed.

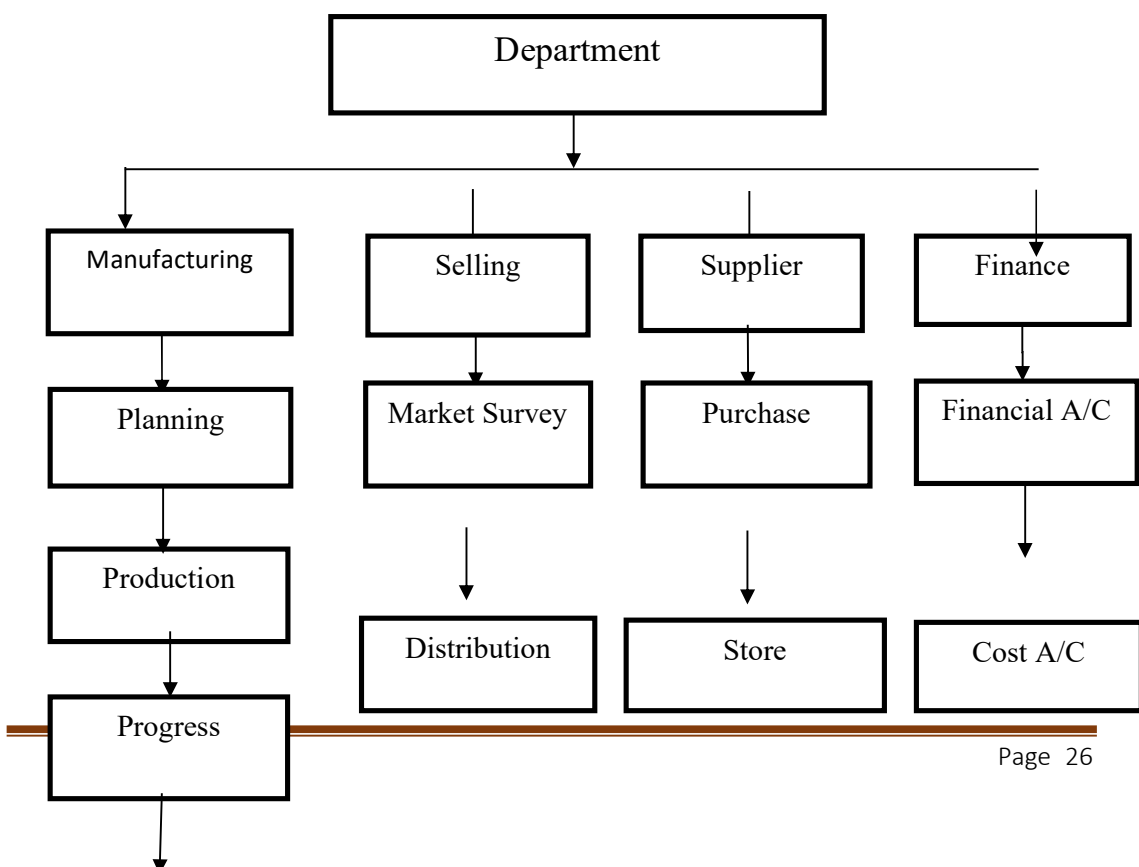
| NAME OF PARTNER | PROFIT SHARING RATIO |
|------------------------|-----------------------------|
| Mr. Shrikant Kalburgi | 50% |
| Mr. Amol Kalburgi | 50% |

The industry is based on partnership deed and profit sharing ratio is same 50% and total decision are taken by both partners. Company losses and profits responsible the two partners.



3.4 ORGANIZATIONAL STRUCTURE

Chart of TECHNOMAX ENGINEERING PRODUCTS, OGLEWADI, KARAD.





**3.5 FINANCIAL POSITION**

| | |
|-------------------|----------|
| Manpower | 18 |
| Net profit | 4.40 Lac |
| Turnover | 5 Cr. |

3.6 SOURCES OF RAW MATERIAL

In the process of problems scrap of raw material is a low because production by system is well established. The production from raw material to finished goods takes place in well-ordered manner. The press part components are widely used in gas compressor and they are used in air condition and refrigerator.

Different Material Standard are Used Such As:-

| Description | Std. No. |
|--------------------|------------------|
| ISO | IS/ISO 9001-2000 |
| Raw Material (C.R) | MSP-1086 |
| Raw Material (H.R) | MSP-1085 |
| ROHS | ES92-167 |

Technomax company produces press working components for following Companies:-

- Emerson :- Compressors Coving Parts
- KBL :- Oil Filter, Diesel Filter Components
- KPT :- Grinding Covers, Fan, Armature Blocks

Company Raw Material Suppliers:-



1. JSW
2. Essar Steel
3. Tata Steel
4. Sail

3.7 QUALITY CONTROL & PROCESS

Quality Control:-

The product must be clean and free from burr part must quality for 100 Hr salt spray test.

Follow quality management system for quality assurance follow ISO 9001-2015.

Process:-

Different operations performed in company die and press. They are as follows:-

1. Blanking & Piercing :-

There are the shearing processes in which a punch & die are used to modify webs in blanking punched out pieces is used & called as blank while in piercing punched out piece in scrap. Thickness of sheet metal ranges 0.5 to 5mm.

2. Embossing :-

Sheet metal embossing is a process for producing raised or sunken designs. This process can be made by means of matched male & female roller dies. Aluminum, Copper, Cold Rolled Steel, Galvanized Steel are commonly used metals for embossing.

3. Extrusion :-



This is the process of forming a flat work – piece into a hollow shape by means of a punch which causes the blank to flow in a hollow cavity.

4. Bending :-

The material in form of scrap is uniformly strained linear which lies in neutral plane & perpendicular to length wise direction of sheet metal.

5. Testing :-

When final product is ready it is inspected. The inspection is visual & for checking dimensions digital micrometer & Go-No-Go gauges are used.

6. Packing :-

After inspection of components, it is packed for delivery.

3.8 MACHINERY & DEPARTMENT OF COMPANY

• List Of Machinery :-

| Sr. No. | Name Of Machinery | Quantity |
|---------|----------------------|----------|
| 1. | Power Press 150 Ton | 2 |
| 2. | Power Press 100 Ton | 1 |
| 3. | Sharing Machine | 1 |
| 4. | Drilling Machine | 1 |
| 5. | Tapping Machine (M6) | 2 |
| 6. | Surface Grinder | 1 |
| 7. | Bench Grinder | 2 |



| | | |
|-----|--------------------------|---|
| 8. | Tumbling Barrel | 1 |
| 9. | Tapping Machine (M20) | 2 |
| 10. | Hardness Testing Machine | 1 |
| 11. | CD Welding 10 KYA | 2 |
| 12. | Power press 75 Ton | 2 |

● Department Of Technomax:-

As we know for precise planning organization & producing quality products as per the requirement of customers flow of products takes places through different departments.

- Marketing department
- Finance Department
- Design Department
- Production Department
- Testing & Inspection
- Re-Work Department
- Packaging & dispatch Department



3.9 COMPANY PRODUCTS

Technomax produces different products according need of customers in this company products are supplied to different company. Here only fabrication takes places & assembly is done in different company.

Technomax Products:-

- ❖ Automotive Sheet Metal Components
- ❖ Metal Stamping Parts
- ❖ Precise Stamping Parts
- ❖ Sheet Metal Pressed Components
- ❖ Sheet Metal Compressor Parts
- ❖ Sheet Metal Diesel & Oil Filter
- ❖ Armature Blocks & Winding
- ❖ Two Wheeler Starters

3.10 LIST OF COMPETITORS OF TECHNOMAX

- I. ABC Industries
- II. Datta Industries (Sheet Metal Manufactures)
- III. Dychem Industries
- IV. Kalburgi Stamping

3.11 AREA OF SELLING AND MARKETING

We have different area parts in marketing automotive sheets press part electronic stamping.

The Customers List Are As Follows:-

1. Emersion Climate Technologies (India) Limited., Karad
2. Flash Electronics Private Limited, Pune
3. Kulkarni Power Tools Limited, Shirol District :- Kolhapur
4. Elemec Industries, Pimpri, Pune
5. Anand Auto Electrical, Bhosari, Pune



3.12 AWARDS AND ACHIVEMENTS

- I. Suppliers Meet 2005-2007
- II. Suppliers Meet 2006-2009
- III. Partnership Meet 2002
- IV. Best Suppliers Award

3.13 CONTRIBUTION TOWARDS SOCIETY

- A. We create high quality products which is not at all injurious to their health or our environment.
- B. They give service to customers by good quality in reasonable rate.
- C. It has major contribution in social welfare activities.
- D. Company gives skillful Knowledge and guidance to the ITI students in the arranged camp.

3.14 TOLE PLAYED IN EMPLOYMENT GENERATION

- A. Every years we give Best Kaizen Award to that worker who has highest annual attendance.
- B. We give training to our workers about our products to increase their knowledge.
- C. Company takes care of their workers and they give them all facilities.

3.15 FUTURE PLANS

1. Now company has 3 to 4 Cr. Annual turnover and the company plan is to increase annual turnover up to 8 Cr.
2. Also they to decide add new customers.
3. They work to get plan and take for TS certificate.

Improvement in areas of Quality, System, Employee's Development, etc.



CHAPTER IV
DATA ANALYSIS & INTERPRETATION OF DATA



4.1 FUND FLOW STATEMENT

4. 1.2 FUND FLOW STATEMENT FOR THE YEAR 2019-2020

4. 1. 2. 1 Statement Showing Change in Working Capital

| Particulars | Pervious Year 2018-2019 | Current Year 2019-2020 | Change in Working capital | |
|--|-------------------------------|------------------------------|------------------------------|------------------|
| | | | Increase | Decrease |
| A] Current Assets- | | | | |
| Bank Account | 1,86,204 | 1,57,891 | - | 28,313 |
| Cash In Hand | 33,451 | 21,139 | - | 12,312 |
| Deposits | 81,268 | 81,268 | - | - |
| Loans & Advances | 11,45,249 | 33,81,064 | 22,35,815 | - |
| Stock in Land | 53,16,369 | 47,84,620 | - | 5,31,749 |
| Sundry Debtors | 2,25,02,936 | 2,02,68,677 | 22,34,259 | - |
| Total (A) | 2,92,65,477 | 2,86,94,659 | | |
| | | | | |
| B] Current Liabilities- | | | | |
| Duties & Taxes | 11,45,033 | 8,60,912 | 74,64,879 | - |
| Sundry Creditors | 3,24,50,883 | 3,25,94,642 | - | 1,43,759 |
| Total (B) | 3,35,95,916 | 3,34,55,554 | | |
| | | | | |
| Net Working Capital (A-B) | 43,30,439 | 47,60,895 | | |
| Increase In Working Capital | 4,30,456 | | | 4,30,456 |
| | 47,60,895 | 47,60,895 | 11,46,589 | 11,46,589 |

**4. 1. 2. 2 Fund Form Operation**

| Particulars | Amount | Particulars | Amount |
|--------------------|------------------|---------------------------|------------------|
| To Depreciation | 16,90,363 | By Bal B/d | 1,69,107 |
| To Bal C/d | 4,87,543 | By Fund From Operation | 20,08,799 |
| | 21,77,906 | | 21,77,306 |

4. 1. 2. 3 Fund Flow Statement

| Sources | Amount | Application | Amount |
|------------------------|------------------|--------------------------------|------------------|
| Issue of Capital | 57,92,173 | Purchase of Fixed Assets | 74,56,482 |
| Fund Form Operation | 20,08,799 | Increase in Working Capital | 4,30,456 |
| Increase in loan | 85,966 | | |
| | 78,86,938 | | 78,86,938 |



4.1.3 FUND FLOW STATEMENT FOR THE YEAR 2020-2021

4.1.3.1 Statement Showing Change in Working Capital

| Particulars | Pervious Year 2019-2020 | Current Year 2020-2021 | Change in Working capital | |
|------------------------------------|----------------------------|---------------------------|---------------------------|------------------|
| | | | Increase | Decrease |
| A] Current Assets- | | | | |
| Bank Account | 1,57,892 | 1,06,066 | - | 51,825 |
| Cash In Hand | 28,139 | 74,520 | - | 46,381 |
| Deposits | 81,268 | 81,268 | - | - |
| Loans & Advances | 33,81,064 | 42,58,203 | - | 8,77,139 |
| Stock in Land | 2,02,68,677 | 2,37,85,765 | 35,17,088 | - |
| Sundry Debtors | 47,84,620 | 73,88,954 | 26,04,334 | - |
| Total (A) | 2,87,01,660 | 3,56,94,776 | | |
| | | | | |
| B] Current Liabilities- | | | | |
| Duties & Taxes | - | - | - | - |
| Sundry Creditors | 3,25,94,642 | 3,55,78,971 | 29,84,329 | - |
| Total (B) | 3,25,94,642 | 3,55,78,971 | | |
| | | | | |
| Net Working Capital (A-B) | 38,92,982 | 1,15,805 | | |
| Increase In Working Capital | 37,77,177 | | | 37,77,177 |
| | 76,70,159 | 1,15,805 | 91,05,751 | 91,05,751 |

**4. 1. 3. 2 Fund Form Operation**

| Particulars | Amount | Particulars | Amount |
|--------------------|------------------|------------------------|------------------|
| To Depreciation | 18,49,650 | By Bal B/d | 4,87,543 |
| To Bal C/d | 5,53,463 | By Fund from operation | 19,15,570 |
| | 24,03,113 | | 24,03,113 |

4. 1. 3. 3 Fund Flow Statement

| Sources | Amount | Application | Amount |
|---------------------|------------------|-----------------------------|------------------|
| Increase in Loan | 15,01,158 | Purchase of fixed assets | 26,41,077 |
| Fund from operation | 19,15,570 | Increase in Working Capital | 37,77,177 |
| Issue of capital | 30,01,526 | | |
| | 64,18,254 | | 64,18,254 |



4. 1. 4 FUND FLOW STATEMENT FOR THE YEAR 2021-2022

4. 1. 3. 1 Statement Showing Change in Working Capital

| Particulars | Pervious Year 2020-21 | Current Year 2021-22 | Change in Working capital | |
|------------------------------------|--------------------------|-------------------------|---------------------------|--------------------|
| | | | Increase | Decrease |
| A] Current Assets- | | | | |
| Bank Account | 1,06,066 | 1,48,200 | - | 42,134 |
| Cash In Hand | 74,520 | 1,31,147 | - | 56,627 |
| Deposits | 81,268 | 79,244 | - | 2,024 |
| Loans & Advances | 42,58,203 | 33,24,034 | 9,34,169 | - |
| Stock in Land | 73,88,953 | 73,71,328 | 1,11,51,309 | - |
| Sundry Debtors | 2,37,85,764 | 3,49,37,073 | - | -17,625 |
| Total (A) | 3,56,94,774 | 4,59,91,026 | | |
| | | | | |
| B] Current Liabilities- | | | | |
| Duties & Taxes | - | 0.38 | - | 0.38 |
| Sundry Creditors | 3,55,78,971 | 4,57,73,901 | 1,01,94,930 | - |
| Total (B) | 3,55,78,971 | 4,57,73,901 | | |
| | | | | |
| Net Working Capital (A-B) | 1,15,803 | 2,17,125 | | |
| Increase In Working Capital | 1,01,322 | | | 1,01,322 |
| | 2,71,125 | 2,71,125 | 2,22,80,408 | 2,22,80,408 |

**4. 1. 3. 2 Fund Form Operation**

| Particulars | Amount | Particulars | Amount |
|--------------------|------------------|---------------------------|------------------|
| To Depreciation | 20,21,684 | By Bal B/d | 5,53,463 |
| To Bal C/d | 12,93,758 | By Fund From Operation | 27,61,979 |
| | 33,15,442 | | 33,15,442 |

i.

4. 1. 3. 3 Fund Flow Statement

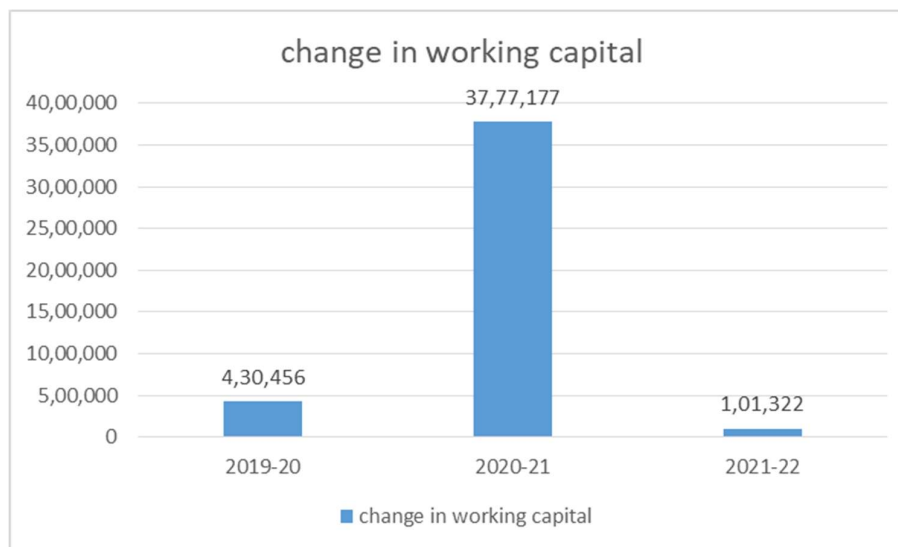
| Sources | Amount | Application | Amount |
|------------------------|--------------------|--------------------------------|--------------------|
| Increase in Loan | 42,61,794 | Purchase of Fixed Assets | 1,01,35,406 |
| Issue of Capital | 32,12,955 | Increase in Working Capital | 1,01,322 |
| Fund Form Operation | 27,61,979 | | |
| | 1,02,36,728 | | 1,02,36,728 |



4.1 Tables No. 1 Change in Working Capital

| Years | 2019-20 | 2020-21 | 2021-22 |
|----------------------------------|----------------|----------------|----------------|
| Change in Working Capital | 4,30,456 | 37,77,177 | 1,01,322 |

Graph No. 1



Interpretation

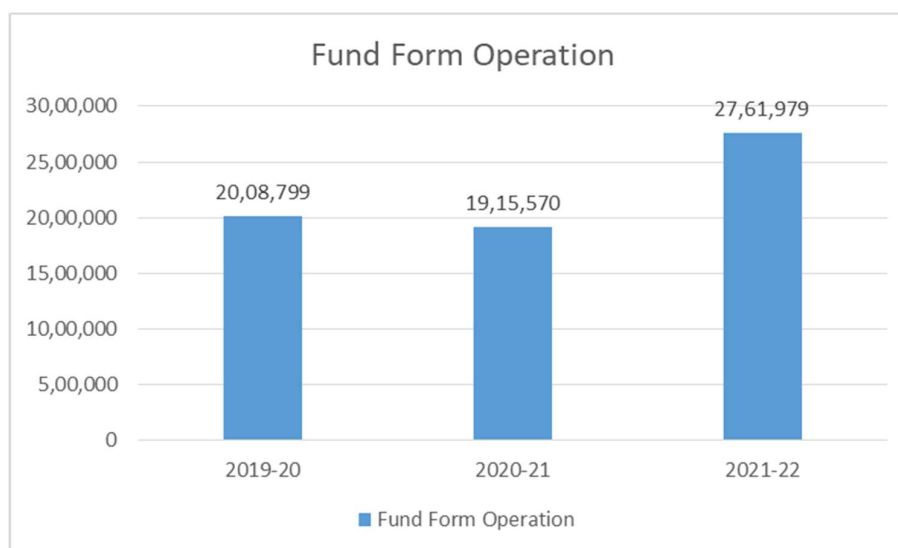
Above table and graph shows the change in Working capital, in which year 2020-21 Working capital of company is high as compared to year 2019-20 and 2021-22 while in year 2019-20 and 2021-22 it shows rapid decrease in two years because in 2020-21 working capital was positive.



4.2 Table No. 2 Fund Form Operation

| Years | 2019-20 | 2020-21 | 2021-22 |
|----------------------------|-----------|-----------|-----------|
| Fund Form Operation | 20,08,799 | 19,15,570 | 27,61,979 |

Graph No. 2



Interpretation

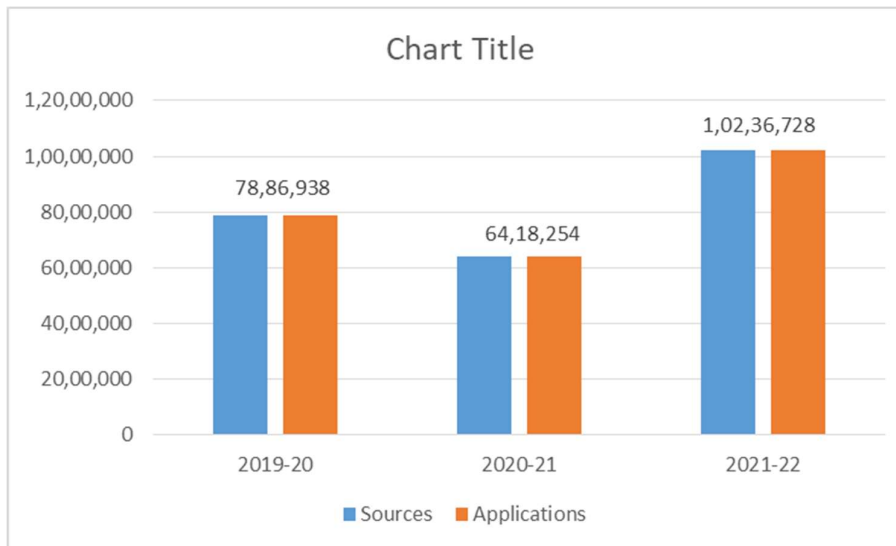
Above table and graph shows the amount of fund form operation, the highest fund form operation is in the year 2021-22 i.e. Rs. 27,61,979. The lowest is of Rs. 19,15,570 in the year 2020-21 and Rs. 20,08,799 in 2019-20.



4.3 Table No. 3 Fund Flow Statement

| Years | 2019-20 | 2020-21 | 2021-22 |
|---------------------|----------------|----------------|----------------|
| Sources | 78,86,938 | 64,18,254 | 1,02,36,728 |
| Applications | 78,86,938 | 64,18,254 | 1,02,36,728 |

Graph No. 3



Interpretation

The above graph and chart shows the fund flow statement of the company. In year 2021-22 sources and application is high as compare to the year 2019-20



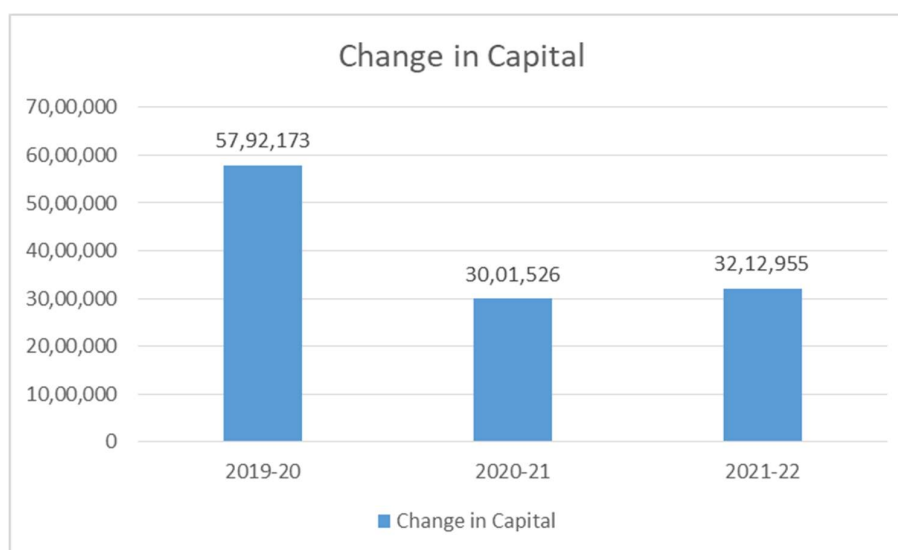
and year 2020-21, and it is decrease in 2020-21 to Rs. 64,18,254 after that it again increased to Rs. 78,86,938.



4.4 Table No. 4 Change in Capital

| Years | 2019-20 | 2020-21 | 2021-22 |
|-------------------|-----------|-----------|-----------|
| Change in Capital | 57,92,173 | 30,01,526 | 32,12,955 |

Graph No. 4



Interpretation

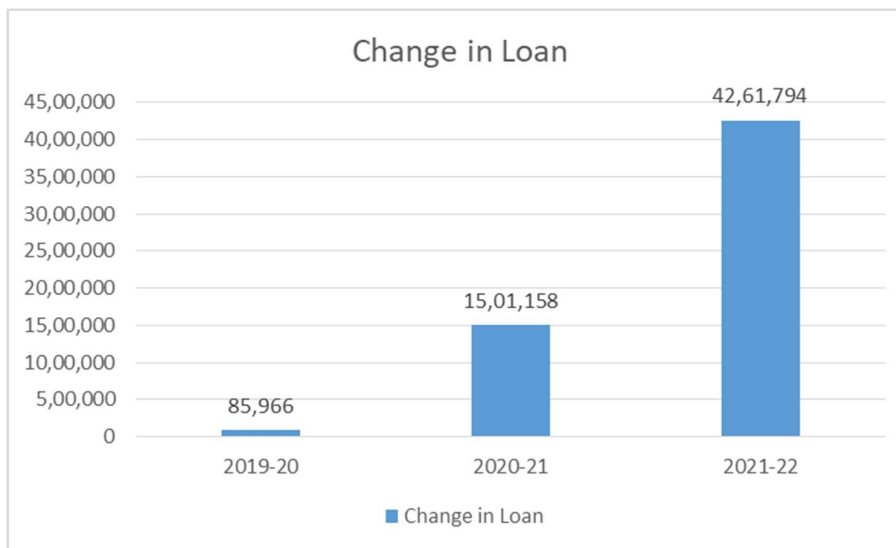
The above graph and chart shows the change in capital of the company in which year 2019-20 shows the increase in capital by Rs.57,92,173 whereas for year 2020-21 and year 2021-22 it shows decrease in capital by Rs.30,01,526 and Rs.32,12,955 respectively.



4.5 Table No. 5 Change in Loan

| Years | 2019-20 | 2020-21 | 2021-22 |
|-----------------------|---------|-----------|-----------|
| Change in Loan | 85,966 | 15,01,158 | 42,61,794 |

Graph No. 5



Interpretation

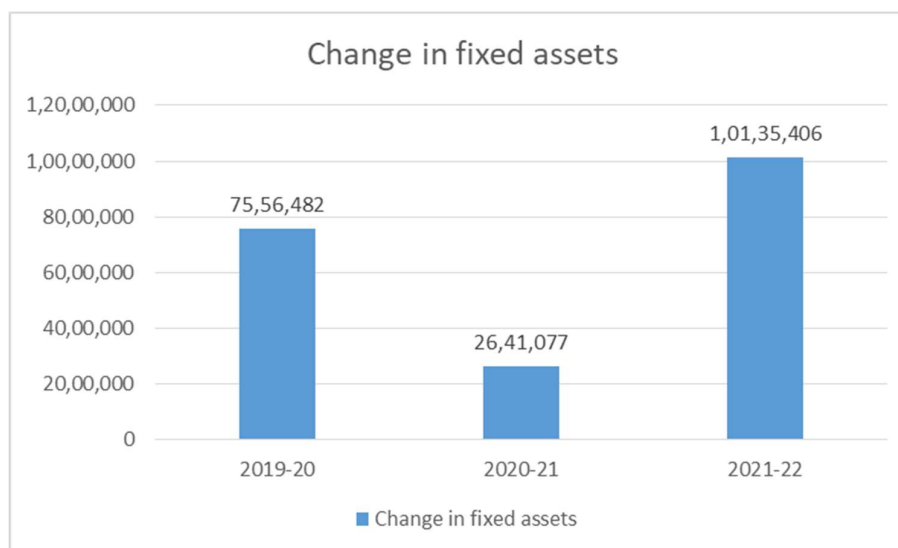
The above graph and table shows change in the loan of company for year 2019-20 shows decrease in loan by Rs.85,966 and increase in year 2020-21 by Rs.15,01,158 and year 2021-22 by Rs.42,61,794 respectively for future development of company.



4.6 Table No. 6 Purchase of Fixed Assets

| Years | 2019-20 | 2020-21 | 2021-22 |
|------------------------|-----------|-----------|-------------|
| Change in Fixed Assets | 75,56,482 | 26,41,077 | 1.01,35,406 |

Graph No. 6



Interpretation

The above chart and graph shows the change in fixed assets of the company shows the there is purchase of Fixed assets of Rs.75,56,482 in 2019-20 and Rs.26,41,077 in 2020-21 and sale of fixed assets in year 2021-

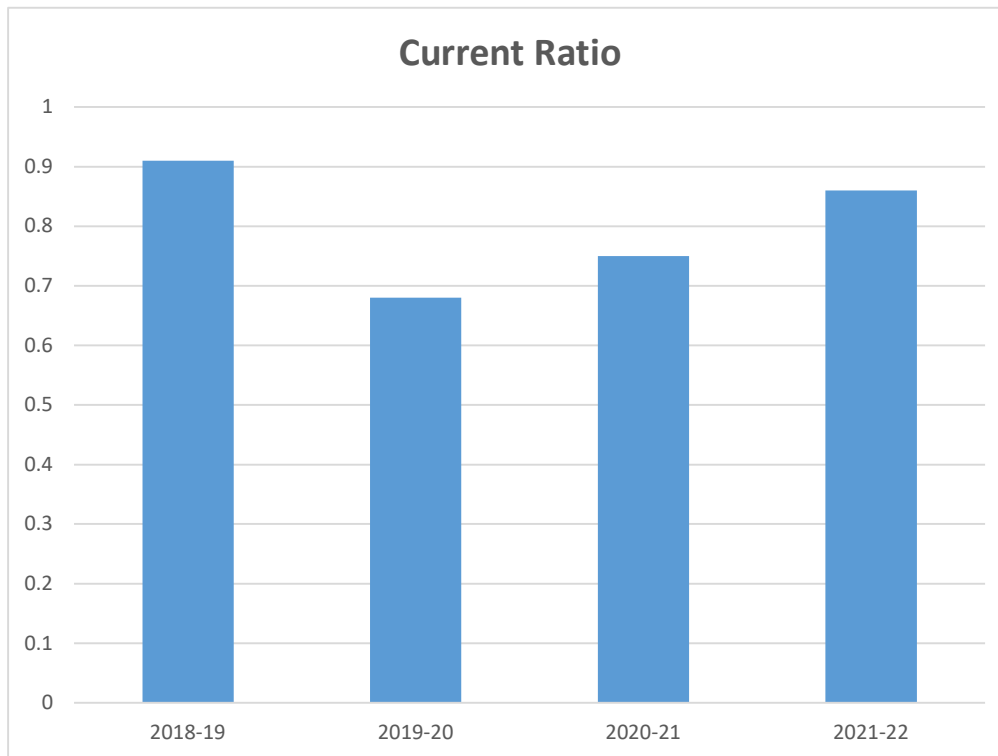


22 of Rs 1,01,35,406 purchase of fixed assets clears growth and development of company.

4.7 Table No. 7 Current Ratio

| Years | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|----------------------------|----------------|----------------|----------------|----------------|
| Current Assets | 28800767 | 22578332 | 27178370 | 39821077 |
| Current Liabilities | 31611944 | 32840607 | 36183679 | 46024414 |
| Current Ratio | 0.91 | 0.68 | 0.75 | 0.86 |

Graph No. 8



Interpretation

The graph and table shows the current ratio of the company in year 2018-19 was 0.91 while from year 2019-20 it shows the consistency in the ratio to year 2020-21 with little bit increment in year 2021-22. The company's current ratio is around 1:1 ratio, that is not fulfilling standard.



CHAPTER V
FINDINGS, SUGGESTIONS, CONCLUSION



FINDINGS

1. It was observed that because of huge production in the year 2020-21 change in working capital of company is more as compare to 2019-20 and 2021-22.
2. It was observed that fund from operation continuously increasing throughout all financial year because of increased depreciation of company.
3. It was observed that the sources and application are fluctuating throughout 3 years it shows sound financial position of company.
4. It was observed that in 2019-20 the change in capital was high and in 2020-21 and 2021-22 this was fluctuating because of redemption of capital.
5. Change in loan shows increasing trend which indicates for future development of company.
6. The fixed assets are fluctuating throughout 3 years in 2021-22 they purchase fixed asset it shows the growth and development of company.



SUGGESTIONS

1. The company should increase its current ratio to fulfill its standard.
2. Company should maintain cash and bank balance sufficiently.

CONCLUSION

The financial statement of business organization disclose the Gross profit and Net Profit, the financial statement do not provide information about source of raising funds as well as the applications of these funds. A fund flow statement showing sources and applications of funds that helps to resolve liquidity position of the organization.

From the detailed study of fund flow statement with special reference to Technomax Engineering Products, Oglewadi the research concludes that, the liquidity position of company that mean change in working capital is increased. The assets sources of the company lead to strengthen the financial position of the company. The overall result shows the sound financial position of the company.

Based on the analysis and interpretation I tried to give my findings and suggestions for the company as per my best knowledge. Finally project really helps us in knowing the practical things of the really I enjoyed this project work in its real spirit.



APPENDICES
TRADING A/C
FOR FOUR YEARS

Dr.

| Particulars | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|---------------------|--------------------|--------------------|---------------------|--------------------|
| Opening Stock | 38,78,935 | 53,16,369 | 47,84,620 | 73,88,953 |
| Purchase A/C | 5,00,93,434 | 4,79,89,275 | 4,40,79,901 | 8,13,86,285 |
| Expenses | 94,43,103 | 93,76,783 | 92,11,062 | 1,04,13,157 |
| To Gross Profit C/D | 54,58,523 | 67,74,073 | 64,78,121 | 90,64,544 |
| Total | 6,88,73,955 | 6,94,56,502 | 6,45,,53,705 | 108,252,941 |

**Cr.**

| Particulars | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|--------------------|--------------------|--------------------|---------------------|--------------------|
| Sales Accounts | 6,35,57,626 | 6,46,71,882 | 5,71,64,752 | 100,881,613 |
| Closing Stock | 53,16,369 | 47,84,620 | 73,88,953 | 73,71,328 |
| Total | 6,88,73,955 | 6,94,56,502 | 6,45,,53,705 | 108,252,941 |

PROFIT & LOSS A/C**FOR FOUR YEARS****Dr.**

| Particulars | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|----------------------|------------------|------------------|------------------|------------------|
| Indirect Expenses | 48,99,445 | 63,63,315 | 60,07,804 | 62,20,763 |
| Depreciation | 16,90,363 | 18,49,650 | 20,21,684 | 17,76,705 |
| Net Profit C/D | 1,69,107 | 4,87,543 | 5,53,463 | 12,93,757 |
| Total | 67,58,953 | 87,00,508 | 85,82,951 | 92,91,225 |



Cr.

| Particulars | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|--------------------|------------------|------------------|------------------|------------------|
| Gross Profit | 54,58,523 | 67,74,073 | 64,78,121 | 90,64,544 |
| Income | 61,742 | 76,785 | 83,146 | 74 |
| Total | 55,20,265 | 68,50,831 | 65,61,267 | 90,64,618 |

BALANCE SHEET

FOR FOUR YEARS

| Liabilities | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| Loans | 1,05,54,618 | 1,06,40,584 | 91,39,426 | 1,34,01,220 |
| Current Liabilities | 3,16,11,944 | 3,28,40,607 | 3,61,83,679 | 4,60,24,414 |
| Total | 4,21,66,562 | 4,34,81,191 | 4,53,23,105 | 5,94,25,634 |



| Assets | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
|-----------------|--------------------|--------------------|--------------------|--------------------|
| Fixed Assets | 1,08,78,032 | 1,26,22,872 | 1,28,66,325 | 1,11,13,186 |
| Investment | 91,450 | 91,450 | 91,450 | 91,450 |
| Current Assets | 2,88,00,767 | 2,25,78,382 | 2,71,78,370 | 3,98,21,077 |
| Capital Account | 23,96,313 | 81,88,468 | 51,86,960 | 83,99,920 |
| Total | 4,21,66,562 | 4,34,81,191 | 4,53,23,105 | 5,94,25,634 |



BIBLIOGRAPHY

1. Khan M. Y. and Jain P. K., financial Management, Eight Reprint 2010, Fifth Edition.
2. Annual Reports for the Years 2018-19, 2019-20, 2020-21 and 2021.
3. www.google.com