

## A STUDY ON CASH FLOW MANAGEMENT WITH REFERENCE TO SOFTORIX TECHNOLOGIES

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**Abstract:** The venture titled "A Study on income administration for Softorix Technologies" manages the growth of money in or out of a firm, extend, or cash connected things. It is usually calculated among a predefined, partial time period. The necessity for Money to uphold the average business exercises can't be exaggerated. One can hardly find a business firm, which does not require any amount of Money. Assuredly, companies differ in their basics of the Money. A firm ought to go for augmenting the abundance of its shareholders. In its attempt to do as such, a firm ought to win adequate come back from its operation. Winning an unfaltering measure of benefit requires effective deals action. The firm needs to put enough finances in current resource for producing deals. Current resource are required in light of the fact that dealings doesn't change over into money momentarily. It is dependably a working cycle required in the transformation of offers into money.

### 1. Introduction

Revenue is the growth of money into or out of a organization, extend, or monetary. Valuation of revenue can be used for reckoning diverse constraints that give data on an administration's esteem and condition. Eg. revenue can be used for calculating parameters[1-5]:

- To choose a scheme's rate of reoccurrence or honor. The period of money torrents into and out of undertakings are used as contributions to financialreplicas[6-9].
- To choosematters with a company's liquidity. Existingproductivity does not really mean being liquid. Angroup can come up short due to a absence of cash even though beneficial.
- As anchoiceamount of a company benefits once it is reliable that gathering bookkeeping concepts does notstate to financial materials. For example, angroup might be theoreticallyhelpfullyetmakingnominalworkingcash. In

such situation, the group might infer extra working cash by deliveringstocks or risingadditionalresponsibilityback[10-13].

### 2. Review of Literature

In expectation to discover the connection among proficient capital administration and company's success(Shin and Soenen, 1998) utilized exchange cycle (NTC) as a amount of working capital administration. NTC is fundamentallyequal to the CCC where every one of the three segments are transferred as a rate of offers. The motive by utilizing NTC in light of the fact that it can be a device to judge for additional financing wants with respect to working capital communicated as a constituent of the expected deals development. This is examined utilizing connection and relapse examination, by industry and working capital power. Utilizing a Compustat test of 58,985 firm years covering the period 1975-1994[14-16], in all cashs, they found, a solid negative connection between the length of the association's net-exchange cycle and its benefit. Furthermore, shorter NTC are related with higher hazard balanced stock returns. In other word, (Shin and Soenen, 1998) recommend that one conceivable way the firm to make shareholder esteem is by diminishing company's NTC[17-19].

### Findings

1. This company is having sufficient cash flow management
2. Current Assets are in an increasing position.
3. Credits & Funds are reductions every year, it means that the company is in profitable position
4. Current liabilities are less than current assets
5. The working capital is negative.
6. Current liabilities are Increases by every year.
7. Long – term liabilities are getting bigger each year, butlong term liabilities are decreased from 40,000 to 35,200 in 2014-2015.
8. The Quick Ratio is greater than one that show the sound short-term creditworthiness.

9. The recommended current ratio is 2:1. But it isn't static as it varies. Now in this money the current ratio is more than one and it is sufficient to attain the current liability.

10. Working capital is associated with net sales when it is in growing trend representing the actual use of the net working capital.

### Suggestions

1. The labor should be surveyed in connection to generation and deals. The abundance of representatives ought to be expelled through different measures like VRS, retirement's and destructing the necessity of new workers [20-22].

2. There are different worldwide difficulties that are confronted by each organization in the present aggressive condition and SOFTORIX TECHNOLOGIES TECHNOLOGY is no exception. To confront the present worldwide difficulties the HR division ought to be create to enhance different abilities among the representatives extraordinarily the motivational aptitudes and having the normal preparing for the workers about different improvements in the market [24-26].

3. The showcasing division ought to be rebuilt on benefit focus and product offering premise. The new promoting methodology ought to likewise try endeavors to recapture the specialists in Germany and UK. They ought to likewise try endeavors to recapture the rebellion and railroads and find new markets for extension.

4. There are different advancement taking in the business to change it the organization ought to build up an undeniable innovative work division for bringing mechanical change and change in plan and process.

5. The approach of improvement new market with the accreditation of ISO 9001 and C.E. making for specific items ought to be ceaseless as it will help being developed the certainty of remote purchasers.

6. The sundry indebted individuals ought to be proficiently overseen so that the exceptional are to be cleared at short interims. The organization ought to select on various regions on a win charges premise to gather the account holders.

7. The cost of holding stock is too high so the stock holding time frame is to be diminished and to develop stock in reckoning of fare requests from Russia and Germany.

### 2. Conclusion

In this way income is essentially the stream of money through the association stream of time. working capital is required to guarantee that the association can proceed with its everyday operations. It is a forthcoming one with great and creative thoughts and had faith in enhancing every one of the territories of its actions. The organization has a decent liquidity place and does not defer its dedication in real money of equally its lenders and borrowers. The organization present for the most part focus to the working capital workplaces, it is keeping up great association with the banks and their working capital management is very much familiar.

### Consolidated Balance Sheet of Softorix Technologies

| FISCAL YEAR            | 2011     | 2012     | 2013     | 2014     | 2015     |
|------------------------|----------|----------|----------|----------|----------|
| <b>ASSETS</b>          |          |          |          |          |          |
| <b>CURRENT ASSETS:</b> |          |          |          |          |          |
| <b>CASH</b>            | 53,000   | 52,000   | 2,02,000 | 21,000   | 74,000   |
| <b>CASH AT BANK</b>    | 2,39,000 | 4,47,000 | 2,77,000 | 2,59,000 | 2,31,000 |

|                                  |                  |                  |                  |                  |                  |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>STOCK</b>                     | 5,69,000         | 1,87,000         | 6,41,000         | 11,08,000        | 14,62,000        |
| <b>SUNDRY DEBTORS</b>            | 11,28,000        | 11,95,000        | 12,19,000        | 11,62,000        | 14,87,000        |
| <b>TOTAL CURRENT ASSETS</b>      | 19,89,000        | 18,81,000        | 23,39,000        | 25,50,000        | 32,54,000        |
| <b>FIXED ASSETS:</b>             |                  |                  |                  |                  |                  |
| <b>GROSS BLOCK- DEPRECIATION</b> | 6,13,000         | 6,13,000         | 5,69,000         | 5,33,000         | 4,48,000         |
| <b>TOTAL FIXED ASSETS</b>        | 6,13,000         | 6,13,000         | 5,69,000         | 5,33,000         | 4,48,000         |
| <b>TOTAL ASSETS</b>              | <b>26,02,000</b> | <b>24,94,000</b> | <b>29,08,000</b> | <b>30,83,000</b> | <b>37,02,000</b> |
| <b>LIABILITIES</b>               |                  |                  |                  |                  |                  |
| <b>CAPITAL:</b>                  |                  |                  |                  |                  |                  |
| <b>SHARE CAPITAL</b>             | 1,40,000         | 1,40,000         | 1,40,000         | 1,40,000         | 9,50,000         |
| <b>SHARE APPLICATION AD..</b>    | 9,00,000         | 6,31,000         | 10,21,000        | 7,37,000         | 71,000           |
| <b>RESERVES AND SURPLUS</b>      | -                | -                | -                | -                | 1,40,000         |
| <b>CURRENT LIABILITIES:</b>      |                  |                  |                  |                  |                  |
| <b>CREDITORS</b>                 | 7,61,000         | 9,60,000         | 3,63,000         | 10,41,000        | 11,53,000        |
| <b>PROVISIONS</b>                | 50,000           | 80,000           | 8,00,000         | 43,000           | 3,61,000         |
| <b>OTHERS</b>                    | -                | -                | -                | -                | 1,34,000         |
| <b>LOAN FUND:</b>                |                  |                  |                  |                  |                  |

|                          |                  |                  |                  |                  |                  |
|--------------------------|------------------|------------------|------------------|------------------|------------------|
| SECURED LOAN             | 7,51,000         | 6,83,000         | 5,84,000         | 11,22,000        | 8,63,000         |
| UNSECURED LOAN           | -                | -                | -                | -                | 30,000           |
| <b>TOTAL LIABILITIES</b> | <b>26,02,000</b> | <b>24,94,000</b> | <b>29,08,000</b> | <b>30,83,000</b> | <b>37,02,000</b> |

### Profit And Loss Account In Softorix Technologies

| PARTICULARS                    | MARCH 2011       | MARCH 2012       | MARCH 2013       | MARCH 2014       | MARCH 2015       |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>REVENUE:</b>                |                  |                  |                  |                  |                  |
| GROSS RECEIPTS                 | 46,51,000        | 49,54,000        | 45,76,000        | 54,51,000        | 45,77,300        |
| MISCELLANEOUS INCOME           | -                | -                | 400              | -                | -                |
| <b>TOTAL REVENUE</b>           | <b>46,51,000</b> | <b>49,54,000</b> | <b>45,76,400</b> | <b>54,51,000</b> | <b>45,77,300</b> |
| <b>EXPENDIURE:</b>             |                  |                  |                  |                  |                  |
| Cost of Goods Sold             | 27,72,200        | 36,98,000        | 35,93,000        | 32,10,000        | 40,56,500        |
| Administrative Expenses        | 5,90,000         | 6,00,000         | 8,97,000         | 8,48,100         | 9,17,000         |
| Financial Charges              | 1,67,000         | 1,58,000         | 83,000           | 82,000           | 1,67,200         |
| Selling Expenses               | 37,200           | 38,000           | 83,000           | 1,00,000         | 80,400           |
| Depreciation                   | 82,000           | 85,000           | 71,000           | 79,000           | 82,000           |
| <b>TOTAL EXPENDITURE</b>       | <b>36,48,400</b> | <b>45,79,000</b> | <b>47,27,000</b> | <b>43,19,100</b> | <b>53,03,100</b> |
| PROFIT/(LOSS)                  | 10,02,600        | 3,75,000         | 1,50,600         | 11,31,900        | 7,25,800         |
| <b>LESS: Provision for Tax</b> | <b>11,000</b>    | <b>7000</b>      | <b>13,000</b>    | <b>4000</b>      | <b>15,000</b>    |

|   |          |          |          |           |          |
|---|----------|----------|----------|-----------|----------|
| <b>Provision for fringe Benefit Tax</b> | 5000     | 15000    | 17,000   | 18,000    | 7000     |
| <b>PROFIT AFTER TAX</b>                 | 9,86,600 | 3,53,000 | 1,20,600 | 11,09,900 | 7,03,800 |

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