



A Study on an Analysis on the Impact of Cash Flow Towards Financial Performance in TTK Healthcare Ltd

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ABSTRACT

The study was conducted to find out the various techniques of cash management which the company has adopted. The study helped the researcher to find out the financial requirement of business which must be sufficient to meet its long-term and short-term commitments. The study helped the researcher to know the performance of the company which is judged by its financial statements. Profit-and-loss projection helped the researcher in projecting company profitability. Based on the study suggestions have been given for the efficient management of cash.

INDUSTRY INTRODUCTION

The Indian pharmaceutical industry, known as the "pharmacy of the world," has emerged as a global leader in providing cost-effective and high-quality generic drugs, with exports spanning a wide range of pharmaceutical products.

ORGANIZATION INTRODUCTION

TTK Healthcare Ltd, founded in 1958 by T.T. Krishnamachari, is a global organization renowned for its diverse product portfolio, including pharmaceuticals, consumer durables, and biomedical devices. Recognized for its market-leading brand Woodward's Gripe Water, TTK Healthcare continues to innovate, expand, and serve customers worldwide.

INTRODUCTION

A cash flow statement tracks the inflow and outflow of cash, providing insights into a company's financial health and operational efficiency. The CFS measures how well a company manages its cash position, meaning how well the company generates cash to pay its debt obligations and fund its operating expenses.

REVIEW OF LITRATURE

Walston and Head (2007): Cash management has described the concept of optimizing free cash flow, optimizing interest generated by reserve funds that are not immediately needed, and reducing losses from late transfers.

Westerfield et al., (1999): He emphasized the importance of distinguishing cash management and liquidity management issues. The distinction is confusing because the word money is actually used in two different ways.

According to Gallagher and Andrew(2003):Financial theorists have developed a mathematical model that allows companies to find the optimal "target" cash balance between the minimum and maximum limits, between liquidity and profitability. The following section describes one of these models, the Miller-Orr model.

Soliman, (2008). Blessings and Onoya (2015): We agree that profitability, assets, liabilities and capital are important ways to evaluate an organization's performance reports and make investment decisions. They note the general view that published financial statements do not need to provide reliable information to investors and other users of financial statements.

Davidson et al., (1992) :The minimum cash balance is defined taking into account the required basic security reserve, minimum bank balance requirements, and daily cash withdrawal rates and costs. The cash balance must remain at the lowest practical level because it will not buy anything and will lose purchasing power at higher prices.

OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVES

To study the cash flow towards financial performance at TTK HEALTHCARE LTD

SECONDARY OBJECTIVES

- To study in general the organisation of cash management at TTK HEALTHCARE LTD. To compare the financial positions of various year of the company
- To provide information about cash inflows and outflows operating investing and financing activities
- To study comparative measurement of financial data by using the method of ratio analysis
- To measure the liquidity position of the company to face future financial commitments

LIMITATION OF THE STUDY

- Cash flow statements are based on historical information and therefore do not provide complete information for assessing future cash flows.
- There is some scope for manipulation of cash flows. For example. A business may delay paying suppliers until after the year-end or it may structure transaction so that the cash balance is favourably affected. It can be argued that cash management is an important aspect of stewardship and therefore desirable., However more deliberate manipulation is possible.
- Cash flow is necessary for survival in the short term but in order to survive in the long term a business must be profitable. It is often necessary to sacrifice cash flow in the short term in order to generate profits in the long term. A huge cash balance is not a sign of good management if the cash could be invested elsewhere to generate profits.
- Cash flow does not provide a complete picture of a company's when looked at in isolation.

RESEARCH METHODOLOGY

DATA COLLECTION INSTRUMENTS The study restricted to a period of 5 years annual report collected from the company.

DATA PROCESSING AND ANALYSING PLAN STATISTICAL TOOLS USED The researcher has adopted the following tools.

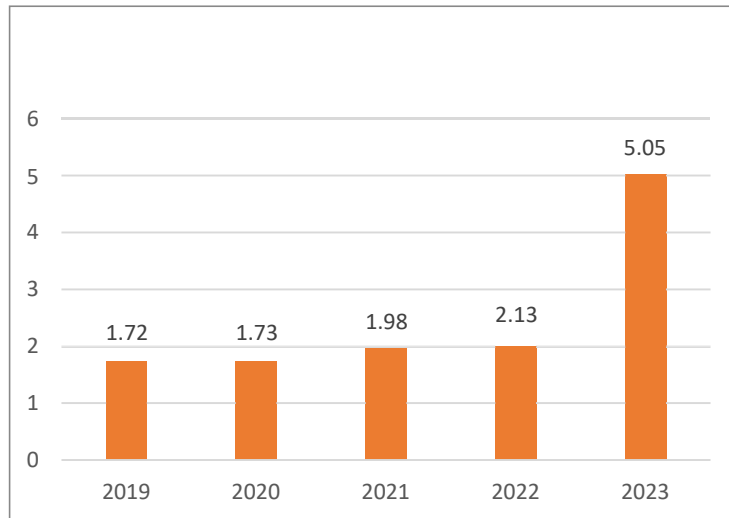
- ✓ Ratio Analysis
- ✓ Cash flow statement
- ✓ Comparative Balance sheet

DATA ANALYSIS AND INTREPRETATION

1.CURRENT RATIO FORMULA

$$\text{CURRENT RATIO} = \frac{\text{CURRENT ASSET}}{\text{CURRENT LIABILITY}}$$

YEAR	CURRENT ASSET	CURRENT LIABILITIES	RATIO
2018-2019	2717193	1570755	1.72
2019-2020	2977020	1715047	1.73
2020-2021	3748714	1887626	1.98
2021-2022	4242244	1990478	2.13
2022-2023	10660749	2107799	5.05



INTREPRETATION

Table-1 Clearly indicates that there is Increasing trend in the current ratio level. In the year 2019 the ratio was 1.72 and it increased to 5.05 by the year 2023. A Increase of 3.33 over five years. The main reason is due to sharp increase in the current liabilities over the 5 years period but the current asset reminded at the same level.

2. LIQUID RATIO

LIQUID RATIO (OR) QUICK RATIO

$$\text{LIQUID RATIO} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITY}}$$

YEAR	LIQUID RATIO	CURRENT LIABILITIES	RATIO
2018-2019	136437	1570755	0.08
2019-2020	373660	1715047	0.21
2020-2021	286986	1887626	0.15
2021-2022	370767	1990478	0.18
2022-2023	366690	2107799	0.17

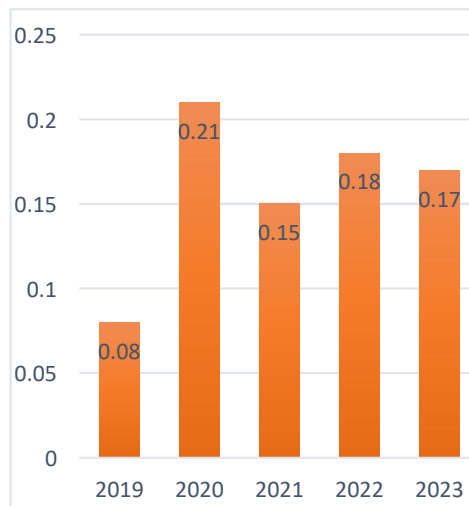


Table-2 Clearly indicates that there is Increasing trend in the liquid ratio level. In the year 2019 the ratio was 0.08 and it increased to 0.17 by the year 2023. A Increase of 0.09 over five years. During the year 2018-2019 the ratio is 0.08 and it has Massive increased to 0.21. The main reason is due to sharp increase in the current liabilities over the 5 years period but the current asset reminded at the same level.

3. CASH POSITION RATIO

CASH & BANK BALANCE + MARKETABLE SECURITIES

CASH POSTION RATIO = -----

CURRENT LIABILITY

YEAR	CASH&CASH EQUIVALENT	CURRENT LIABILITIES	RATIO
2018-2019	11545	1570755	0.007
2019-2020	75289	1715047	0.043
2020-2021	95548	1887626	0.050
2021-2022	148642	1990478	0.074
2022-2023	93203	2107799	0.044

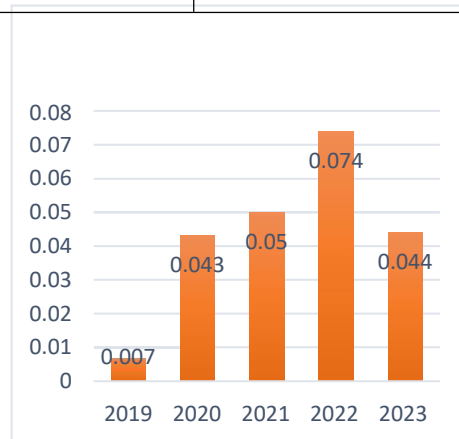


Table-3 Clearly indicates that there is Increasing trend in the cash position ratio level. In the year 2019 the ratio was 0.007 and it increased to 0.044 by the year 2023. A Increase of 0.037 over five years. The main reason is due to sharp increase in the current liabilities over the 5 years period but the current asset reminded at the same level.

4. NET PROFIT RATIO

NET PROFIT AFTER TAX

NET PROFIT RATIO = ----- *100

NET SALES

YEAR	NET INCOME	NET SALES	RATIO
2018-2019	447000	7251000	6.61
2019-2020	123194	6446463	1.91
2020-2021	464411	4732305	9.81
2021-2022	415883	5960739	6.97
2022-2023	6397129	7201875	88.8

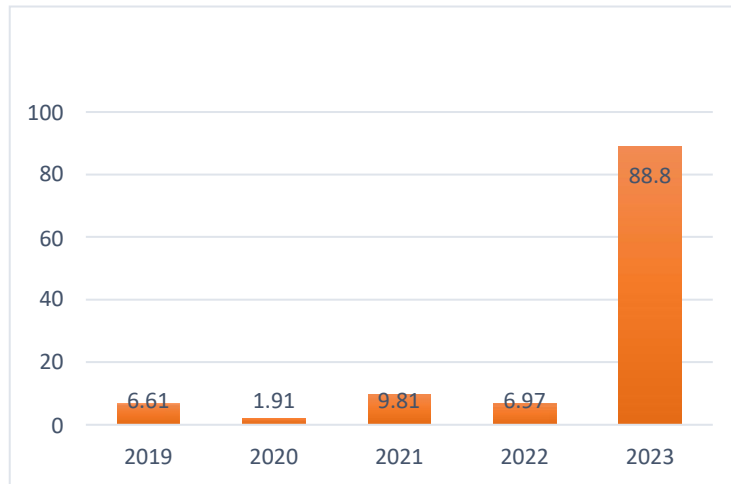


Table-4 Clearly indicates that there is Increasing trend in the cash position ratio level. In the year 2019 the ratio was 6.61 and it has massive increased to 88.8 by the year 2023. A Increase of 82.19 over five years

5. FIXED ASSET TURNOVER RATIO

$$\text{FIXED ASSET TURNOVER RATIO} = \frac{\text{SALES}}{\text{NET FIXED ASSET}}$$

YEAR	SALES	NET FIXED ASSET	RATIO
2018-2019	7251000	1440923	5.03
2019-2020	6446463	1335026	4.82
2020-2021	4732305	1194002	3.96
2021-2022	5960739	1100374	5.41
2022-2023	7201875	1040359	6.92

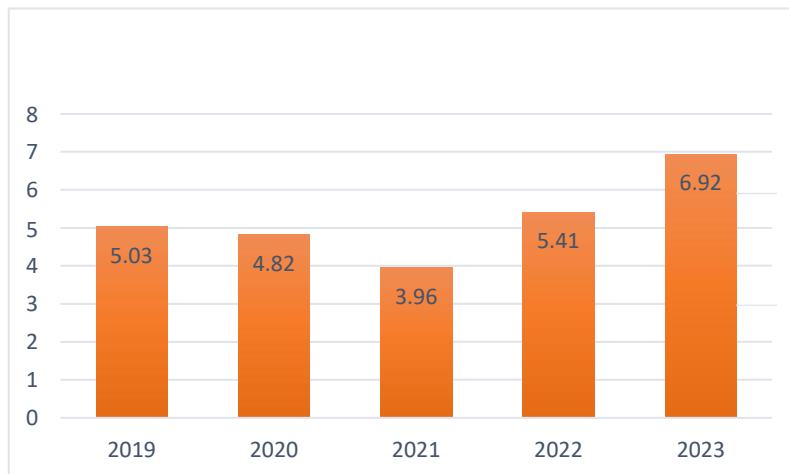


Table-5 Clearly indicates that there is Increasing trend in the Fixed asset turnover ratio level. In the year 2019 the ratio was 5.03 and it increased to 6.92 by the year 2023. A Increase of 1.89 over five years

6. CAPITAL TURNOVER RATIO

$$\text{CAPITAL TURNOVER RATIO} = \frac{\text{SALES}}{\text{CAPITAL EMPLOYED}}$$

YEAR	SALES	CAPITAL EMPLOYED	RATIO
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2018-2019	7251000	3270598	2.21
2019-2020	6446463	2251766	2.86
2020-2021	4732305	17452462	0.27
2021-2022	5960739	2489929	2.39
2022-2023	7201875	2514299	2.86

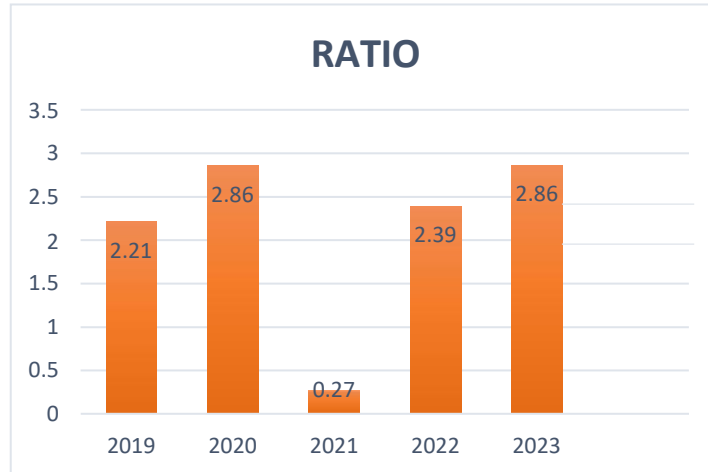


Table-6 Clearly indicates that there is Increasing trend in the Capital turnover ratio level. In the year 2019 the ratio was 2.21 and it increased to 2.86 by the year 2023. A Increase of 0.65 over five years.

7. INVENTORY RATIO

$$\text{INVENTORY RATIO} = \frac{\text{NET SALES}}{\text{INVENTORY}}$$

YEAR	NET SALES	INVENTORY	RATIO
2018-2019	7251000	553091	13.10
2019-2020	6446463	716448	8.99
2020-2021	4732305	703039	6.73
2021-2022	5960739	789244	7.55
2022-2023	7201875	845146	8.52

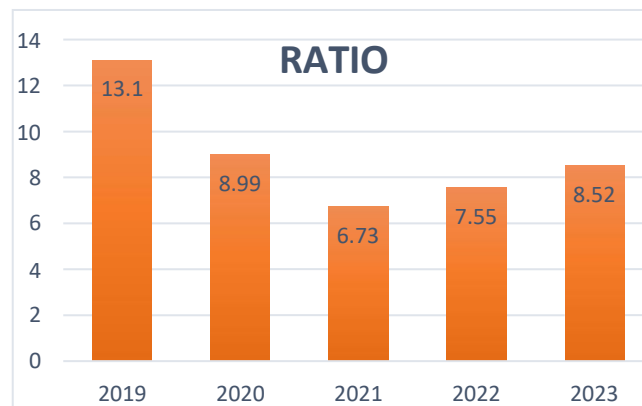


Table-7 Clearly indicates that there is Increasing trend in the Inventory ratio level. In the year 2019 the ratio was 13.1 and it decreased to 8.52 by the year 2023. A Decrease of 4.52 over five years.

CASH FLOW STATEMENT

CASH FLOW STATEMENT OF THE YEAR 2018-2019

PARTICULARS	2018	2019
Cash flow from operating activities		
profit before tax	3014.71	3925.95
Adjustments for		
Remeasurement of defined benefits plans	61.31	144.58
Depreciation and amortization expenses	1524.22	1466.85
Interest paid	472.93	337.90
Interest Received	732.99	742.79
Profit/loss on sale/Impairment of assets	3.57	97.73
Dividend income	4.06	4.49
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4330.55	4936.57
Adjustments for working capital changes		
Inventories	201.85	241.40
Trade Receivables	703.46	2490.80
Other Receivables	51.02	81.05
Trade payables	576.25	1361.04
Other Liabilities	323.89	2135.03
Deferred revenue income	-	-
CASH GENERATED FROM OPERATIONS	3595.77	3059.41
LESS: Directed taxed paid	1065.65	1328.72
NET CASH GENERATED (USED IN) OPERATING ACTIVITIES	2530.15	1730.69
CASH FLOW FROM INVESTING ACTIVITIES	2530.15	1730.69
Cash used in implementing the merger of TTKPDL with the company	899.51	-
Purchase of fixed assets/capital advances	442.98	432.84
Sale of fixed assets	16.43	1.94
Investments in bank deposits(net)	1668.74	648.94
Interest received	734.99	742.79
Dividend Received	4.06	4.49
NET CASH GENERATED FROM (USED IN)	2255.75	965.32
CASH FLOW FROM INVESTING ACTIVITIES	2255.75	965.32
Borrowings(net of repayment)	220.02	1883.24

Interest paid	472.93	337.90
Dividend paid	467.35	851.74
NET CASH GENERATED FROM (USED IN) IN FINANCING ACTIVITIES	720.26	3072.88
Net increase(decrease)in cash and cash equivalents	445.86	376.87
Cash and cash equivalents at the beginning of the year	1903.85	1492.32
Cash and cash equivalent transferred from TTKPDL pursuant to merger	-	34.33
Adjusted balance at the beginning of the year	1938.18	1492.32
TOTAL	1492.32	1115.45
Cash and cash equivalent as at the end of the year (as per balance sheet)	1492.32	1115.45
CASH USED IN IMPLEMENTING THE MERGER OG TTKPDL WITH THE COMPANY		
Net assets taken over pursuant to merger(Accounted under the equity)	5590.03	-
LESS: Elimination of inter company receivables/payables and other adjustments on merger	528.92	-
LESS: Cash assets comprising cash and cash equivalent and other bank balance	4161.60	-
Balance	899.51	-

INTREPRETATION

The net cash from operating activities in the 2018 is Rs. 2530.15 Which is decreased to Rs. 1730.69 in the year 2019. The net cash used in investing activities in the year 2018 is Rs. 2255.75 which is Decreased to Rs.965.32in 2019.The net cash from financing activities in the year 2018 is Rs.720.26 which is increased to Rs.3072.88 in 2019.

CASH FLOW STATEMENT OF THE YEAR 2019-2020

PARTICULARS	2019	2020
Cash flow from operating activities		
profit before tax	3925.95	1942.48
Adjustments for		
Remeasurement of defined benefits plans	144.58	248.98
Depreciation and amortization expenses	1466.85	1437.67
Interest paid	337.90	326.85
Interest Received	742.79	825.01
Profit/loss on sale/Impairment of assets	97.73	32.56
Dividend income	4.49	5.4

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4936.57	2660.15
Adjustments for working capital changes		
Inventories	241.40	1633.57
Trade Receivables	2490.80	347.54
Other Receivables	81.05	436.55
Trade payables	1361.04	1379.16
Other Liabilities	2135.03	575.77
Deferred revenue income	-	170.36
CASH GENERATED FROM OPERATIONS	3062.86	3059.41
LESS: Directed taxed paid	1328.72	1079.03
NET CASH GENERATED (USED IN) OPERATING ACTIVITIES	1730.69	1983.83
CASH FLOW FROM INVESTING ACTIVITIES	1730.69	1983.83
Purchase of fixed assets/capital advances	432.84	1223.47
Sale of fixed assets	1.94	69.83
Investments in bank deposits(net)	648.94	1006.60
Interest received	742.79	825.01
Dividend Received	4.49	5.42
NET CASH GENERATED FROM (USED IN)	965.32	1329.81
CASH FLOW FROM INVESTING ACTIVITIES	965.32	1329.81
Borrowings(net of repayment)	1883.24	162.01
Interest paid	337.90	326.85
Dividend paid	851.74	851.74
NET CASH GENERATED FROM (USED IN) IN FINANCING ACTIVITIES	3072.88	1016.58
Net increase(decrease)in cash and cash equivalents	376.87	362.87
Cash and cash equivalents at the beginning of the year	1492.32	1115.45
TOTAL	1115.45	752.89
Cash and cash equivalent as at the end of the year (as per balance sheet)	752.89	1115.45

INTREPRETATION

The net cash from operating activities in the 2019 is Rs. 1730.69 Which is Increased to Rs.1983.83 in the year 2020. The net cash used in investing activities in the year 2019 is Rs.965.32 which is increased to Rs.1329.81 in 2020.The net cash from financing activities in the year 2020 is Rs.3072.88 which is Decreased to Rs.1016.58 in 2019.The total net increase in cash and cash equivalent in 2018 752.89 which is increased to Rs.1115.45 in 2020.

CASH FLOW STATEMENT OF THE YEAR 2020-2021

PARTICULARS	2020	2021
Cash flow from operating activities		
profit before tax	1942.48	3705.19

Adjustments for		
Remeasurement of defined benefits plans	248.98	126.00
Depreciation and amortization expenses	1437.67	1371.13
Provision for doubtful debts	-	111.60
Interest paid	326.85	222.38
Interest Received	825.01	1796.49
Profit/loss on sale/Impairment of assets	32.56	10.93
Dividend income	5.42	7.13
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2660.15	2660.15
Adjustments for working capital changes		
Inventories	1633.57	134.09
Trade Receivables	347.54	1587.68
Other Receivables	436.55	189.90
Trade payables	1379.16	1109.63
Other Liabilities	575.77	1466.67
Deferred revenue income	170.36	10.35
CASH GENERATED FROM OPERATIONS	3062.86	7610.13
LESS: Directed taxed paid	1079.03	1091.14
ADD: Direct tax received	-	3123.12
NET CASH GENERATED (USED IN) OPERATING ACTIVITIES	1983.83	9642.11
CASH FLOW FROM INVESTING ACTIVITIES	1983.83	9642.11
Purchase of fixed assets/capital advances	173.27	1223.47
Sale of fixed assets	6.46	69.83
Investments in bank deposits(net)	9360.71	1006.60
Interest received	1796.49	825.01
Dividend Received	7.13	5.42
NET CASH GENERATED FROM (USED IN)	7723.90	1329.81
CASH FLOW FROM INVESTING ACTIVITIES	7723.90	1329.81
Borrowings(net of repayment)	1069.33	162.01
Interest paid	222.38	326.85
Dividend paid	423.91	851.74
NET CASH GENERATED FROM (USED IN) IN FINANCING ACTIVITIES	1715.62	1016.58
Net increase(decrease)in cash and cash equivalents	202.59	362.87
Cash and cash equivalents at the beginning of the year	752.89	1115.45
TOTAL	955.48	752.89

Cash and cash equivalent as at the end of the year (as per balance sheet)	955.48	1115.45
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INTREPRATION

The net cash from operating activities in the 2020 is Rs. 1983.83 Which is Increased to Rs.9642.11 in the year 2021. The net cash used in investing activities in the year 2020 is Rs.7723.90 which is Decreased to Rs.1329.81 in 2021.The net cash from financing activities in the year 2020 is Rs.1715.62 which is Decreased to Rs.1016.58 in 2021.The total net increase in cash and cash equivalent in 2020 is Rs.955.48 which is increased to Rs.1115.45 in 2021.

CASH FLOW STATEMENT OF THE YEAR 2021-2022

PARTICULARS	2021	2022
Cash flow from operating activities		
profit before tax continuing operation	2262.16	2483.73
Profit before tax for human pharma operations held for sale in subsequent year	1443.03	3294.14
Profit before tax for continuing operations and human pharma operations held for sale in subsequent year	3705.19	5777.87
Adjustments for		
Remeasurement of defined benefits plans	126.00	16.45
Depreciation and amortization expenses	1371.13	1318.98
Provision for doubtful debts	111.60	32.02
Bad debts written off	27.59	18.39
Creditors written off	66.68	25.35
Interest paid	222.38	396.24
Interest Received	1796.49	1472.07
Profit/loss on sale/Impairment of assets	10.93	249.10
Dividend income	7.13	9.80
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2660.15	5803.63
Adjustments for working capital changes		
Inventories	134.09	1612.07
Trade Receivables	1587.68	960.38
Other Receivables	189.90	160.33
Trade payables	1109.63	1292.92
Other Liabilities	1466.67	1046.08
Deferred revenue income	10.35	8.07
CASH GENERATED FROM OPERATIONS	7610.13	5417.92
LESS: Directed taxed paid	1091.14	1622.61
ADD: Direct tax received	3123.12	704.32
NET CASH GENERATED (USED IN) OPERATING ACTIVITIES	9642.11	4499.63
CASH FLOW FROM INVESTING ACTIVITIES	9642.11	4499.63

Purchase of fixed assets/capital advances	173.27	649.47
Sale of fixed assets	6.46	258.16
Investments in bank deposits(net)	9360.71	4050.69
Interest received	1796.49	1377.47
Dividend Received	7.13	9.80
NET CASH GENERATED FROM (USED IN)	7723.90	3054.73
CASH FLOW FROM INVESTING ACTIVITIES	7723.90	3054.73
Borrowings(net of repayment)	1069.33	330.10
Interest paid	222.38	396.24
Dividend paid	423.91	847.82
NET CASH GENERATED FROM (USED IN) IN FINANCING ACTIVITIES	1715.62	913.96
Net increase(decrease)in cash and cash equivalents	202.59	530.10
Cash and cash equivalents at the beginning of the year	752.89	955.48
TOTAL	955.48	1486.42
Cash and cash equivalent as at the end of the year (as per balance sheet)	955.48	1486.42

INTREPRETATION

The net cash from operating activities in the 2021 is Rs. 9642.11 Which is Decreased to Rs.4499.63 in the year 2022. The net cash used in investing activities in the year 2021 is Rs.7723.90 which is Decreased to Rs.3054.73 in 2022. The net cash from financing activities in the year 2021 is Rs.1715.62 which is Decreased to Rs.913.96 in 2022. The total net increase in cash and cash equivalent in 2021 Rs. 955.48 which is increased to Rs.1486.42 in 2022.

CASH FLOW STATEMENT OF THE YEAR 2022-2023

PARTICULARS	2022	2023
Cash flow from operating activities		
profit before tax continuing operation	2483.73	6163.56
Profit before tax for human pharma operations held for sale in subsequent year	3294.14	77643.92
Profit before tax for continuing operations and human pharma operations held for sale in subsequent year	5777.87	83807.48
Adjustments for		
Remeasurement of defined benefits plans	16.45	33.05
Depreciation and amortization expenses	1319	1291.79
Provision for doubtful debts	32.02	1.54
Bad debts written off	18.39	40.99
Creditors written off	25.35	8.60
Interest paid	396.24	531.56
Interest Received	1472.1	4631.56
Profit/loss on sale/Impairment of assets	249.1	3.38
Dividend income	9.80	6.39

Unrealised forex gain/loss	1.83	0.17
Reversal of Refund liability provision	-	1132.29
Gain from sale of human pharma division (net of expenses)	-	76429.45
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5801.80	3498.59
Adjustments for working capital changes		
Inventories	1612.07	191.00
Trade Receivables	958.53	2230.32
Other Receivables	160.33	701.75
Trade payables	1292.90	192.92
Other Liabilities	1046.08	1949.52
Deferred revenue income	8.07	18.42
CASH GENERATED FROM OPERATIONS	5417.92	1017.50
LESS: Directed taxed paid	1622.61	2037.64
ADD: Direct tax received	704.32	447.52
NET CASH GENERATED (USED IN) OPERATING ACTIVITIES	4499.63	2607.62
CASH FLOW FROM INVESTING ACTIVITIES	3295.86	2955.84
Purchase of fixed assets/capital advances	550.58	1169.91
Proceeds from the sale of property ,plant and equipment and other intangible assets	257.33	10.17
Proceeds from the sale of right of use asset	0.83	15.86
Sale proceeds of human pharma division	-	77531.33
Direct tax on sale of human pharma undertaking	-	17769.26
Investments in bank deposits(net)	4050.69	57919.63
Interest received	1377.47	2590.91
Dividend Received	9.80	6.39
NET CASH GENERATED FROM (USED IN)	2955.84	3295.86
CASH FLOW FROM INVESTING ACTIVITIES	2955.84	3295.86
Borrowings(net of repayment)	278.62	514.39
Principal repayment of lease liabilities	46.02	54.77
Interest paid on other than lease activity	369.16	260.40
Interest paid on lease activity	28.47	28.82
Dividend paid	847.82	1413.03
NET CASH GENERATED FROM (USED IN) IN FINANCING ACTIVITIES	1012.85	1242.63
Net increase(decrease)in cash and cash equivalents	530.10	554.39
Cash and cash equivalents at the beginning of the year	955.48	1486.42
TOTAL	1486.42	932.03

Cash and cash equivalent as at the end of the year (as per balance sheet)	1486.42	932.03
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INTREPRETATION

The net cash from operating activities in the 2022 is Rs. 9642.11 Which is Decreased to Rs.4499.63 in the year 2023. The net cash used in investing activities in the year 2022 is Rs. 2955.84 which is Decreased to Rs.3295.86 in 2023. The net cash from financing activities in the year 2022 is Rs.1012.85 which is Increased to Rs.1242.63 in 2023. The total net increase in cash and cash equivalent in 2022 Rs. 1486.42 which is Decreased to Rs.932.03 in 2023.

COMPARITIVE BALANCE SHEET**COMPARITIVE BALACE SHEET AS ON 31ST MARCH 2019 AND 2018**

	2018	2019	Increase (+) or Decrease (-) in 2019-2018	
ASSETS				
CURRENT ASSETS			Rs.	(%)
A) Inventories	528951	553091	+24140	+4.56
B) Financial assets				
1) Investments				
2) Trade Receivables	553371	802451	+249080	+45.01
3) Cash and cash equivalents	149232	111545	-37687	-25.25
4) Bank balance other than	1209527	1144633	-64894	-5.36
5) Loans	-	-		
6) Other financial assets	56717	52965	-3752	-6.61
Other current assets	58339	52508	-5831	-9.99
TOTAL CURRENT ASSETS(A)	2556137	2717193	+161056	+6.30
NON CURRENT ASSETS				
A) Property, plant	1089498	972298	-117200	-10.75
B) Capital W-I-P	7916	15362	+7446	+94.06
C) Other tangible assets	5761	3356	-2405	-41.74
D) Financial assets				
1) Investments	92589	130463	+37874	+40.90
2) Other financial assets	20442	21920	+1478	+7.23
E) Non current tax asset	210918	204932	-5986	-2.83
F) Deferred tax rate	45513	48732	+3219	+7.07
G) Other non current asset	44131	43860	-271	-0.61
TOTAL FIXED ASSETS(B)	1516768	1440923	-75845	-5.00
TOTAL ASSET (A+B)	4072905	4158116	+85211	+2.09
EQUITY AND LIABILITIES				
EQUITY;				
A) Equity share capital	141303	141303	-	-
B) Other equity	2188441	2372996	+184555	+8.43
TOTAL EQUITY (A)	2329744	2514299	+184555	+7.92

LIABILITIES;				
1) Non current liabilities				
A) Financial liabilities				
Borrowings	6593	3339	-3254	-49.35
B) Provisions	61338	69723	+8385	+13.67
C) Deferred Tax liabilities	-	-	-	-
TOTAL NON CURRENT LIABILITIES (B)	67931	73062	+5131	+7.55
CURRENT LIABILITIES				
A)Financial Liabilities				
1)Borrowings	463901	278831	-185070	-39.89
2)Trade payable				
a)Due to micro and small enterprise	-	177281	+177281	-
b)Due to other than micro and small enterprise	863287	549903	-313384	-36.30
B)Provisions	12701	14244	+1543	+12.14
C) Current Tax liability	20364	31006	+10642	+52.25
D)Other current liability	37784	47761	+9977	+26.40
TOTAL CURRENT LIABILITY (C)	1398037	1099026	-299011	-21.38
TOTAL LIABILITIES(C)	2796074	2198052	-598022	-21.38
TOTAL LIABILITIES(A+B+C)	5193749	2514299	-2679450	-51.58

INTREPRETATION

The value of Total current asset has been Increased from Rs. 2556137 to Rs.2717193 with the change of +6.30% in the year 2018 to 2019. The value of Total fixed asset is Decreased fromRs.1516768 to Rs. 1440923 with the change of -5.00 in the year 2018 to 2019. The value of current liabilities is Decreased from Rs. 1398037 to 1099026 with the change of -21.38 in the year 2018 to 2019. The value of Total Noncurrent liabilities is Increased from 67931 to 73062 with the change of +7.55% in the year 2018 to 2019.

COMPARITIVE BALACE SHEET AS ON 31ST MARCH 2020 AND 2019

	2019	2020	Increase (+) or Decrease (-) in 2020-2019	
ASSETS				
CURRENT ASSETS			Rs.	(%)
A) Inventories	553091	716448	+163357	+29.53
B) Financial assets				
1)Investments	-	-		
2)Tade Receivables	802451	767697	-34754	-4.33
3)Cash and cash equivalent	111545	75289	-36256	-32.50
4)Bank balance other than	1144633	1245294	+100661	+8.79
5)Loans	-	-		
6)Other financial assets	52965	61039	+8074	+15.24

Current tax assets	-	19333	+19333	
Other current assets	52508	91920	+39412	+75.05
TOTAL CURRENT ASSETS	2717193	2977020	+259827	+9.56
NON CURRENT ASSETS				
A) Property, plant	972298	74720	-897578	-92.31
B) Right use of asset	-	109362	+109362	-
c) Capital W-I-P	15362	87729	+72367	+471.07
C)Other tangible assets	3356	2370	-986	-29.38
D)Financial assets				
1)Investments	130463	87533	-42930	-32.90
2)Other financial assets	21920	22717	+797	+37.59
E) Non current tax asset	204932	203996	-936	-0.45
F) Deferred tax rate	48732	41615	-7117	-14.60
G) Other non current asset	43860	4984	-38876	-88.63
TOTAL FIXED ASSETS	1440923	635026	-805897	-55.92
TOTAL ASSET (A+B)	4158116	3612046	-546070	-13.13
EQUITY AND LIABILITIES				
EQUITY;				
A) Equity share capital	141303	141303	-	-
B) Other equity	2372996	2348626	-24370	-1.02
TOTAL EQUITY (A)	2514299	376129	-2138170	-85.04
LIABILITIES;				
1) Non current liabilities				
A) Financial liabilities				
Other financial liabilities	3339	-	-3339	-
Lease liabilities	-	12571	+12571	-
B) Provisions	69723	77463	+7740	+81.97
C) Deferred Tax liabilities	-	-		
D) Deferred Revenue Income	-	17036	+17036	-
TOTAL NON CURRENT LIABILITIES (B)	73062	107070	+34008	+461.9
CURRENT LIABILITIES				
A)Financial Liabilities				
1)Borrowings	278831	281288	+2457	+0.88
2) Lease liability	-	4512	+4512	-
3)Trade payable				
a)Due to micro and small enterprise	177281	158042	-19239	-10.85

b)Due to other than micro and small enterprise	549903	707057	+157154	+28.57
B)Provisions	14244	23863	+9619	+67.53
C) Current Tax liability	31006	-	-31006	-
D)Other current liability	47761	40078	-7683	-16.08
TOTAL CURRENT LIABILITY (C)	1099026	1214840	+115814	+10.53
TOTAL LIABILITIES(A+B+C)	3686387	1698039	-1988348	-53.93

INTREPRETATION

The value of Total current asset has been Decreased from Rs. 2717193 to Rs. 2977020 with the change of -6.30% in the year 2019 to 2020. The value of Total fixed asset is Decreased from Rs.1440920 to Rs. 635026 with the change of -55.92% in the year 2019 to 2020. The value of current liabilities is Increased from Rs. 1099026 to 1214840 with the change of +10.53% in the year 2019 to 2020. The value of Total Noncurrent liabilities is Increased from 73062 to 804170 with the change of +1000.66% in the year 2019 to 2020.

COMPARITIVE BALACE SHEET AS ON 31ST MARCH 2021 AND 2020

	2020	2021	Increase (+) or Decrease (-) in 2021-2020	
ASSETS				
CURRENT ASSETS			Rs.	(%)
A) Inventories	716448	703039	-13409	-1.87
B) Financial assets				
1)Investments	-	-		
2)Tade Receivables	767697	597769	-169928	-22.13
3)Cash and cash equivalents	75289	95548	+20259	+26.90
4)Bank balance other than	1245294	2181365	+936071	+75.16
5)Loans	-	-		
6)Other financial assets	61039	64159	+3120	+5.11
Other current assets	91920	-	-91920	-
TOTAL CURRENT ASSETS	2957687	3641880	-684193	-23.13
NON CURRENT ASSETS				
A) Property, plant	74720	745708	+670988	+898.00
B) Right use of asset	109362	106229	-3133	-2.86
c) Capital W.I.P	87729	4450	-83279	-94.92
C)Other tangible assets	2370	1535	-835	-35.23
D)Financial assets				
1)Investments	87533	131661	+44128	+50.41
2)Other financial assets	22717	23188	+471	+2.07
E) Non current tax asset	203996	108167	-95829	-46.97
F) Deferred tax rate	41615	64514	+22899	+55.02
G) Other non current asset	4984	8550	+3566	+71.54
TOTAL FIXED ASSETS	635026	1194002	+558976	+88.02

TOTAL ASSET (A+B)	3592713	4735882	+1143169	+31.81
EQUITY AND LIABILITIES				
EQUITY;				
A) Equity share capital	141303	141303	-	-
B) Other equity	2348626	2805161	+456535	+19.43
TOTAL EQUITY (A)	2489929	2946464	+456535	+18.33
LIABILITIES;				
1) Non current liabilities				
A) Financial liabilities				
Other financial liabilities	-	-		
Lease liabilities	12571	11577	-994	-7.90
B) Provisions	77463	78978	+1515	+1.95
C) Deferred Tax liabilities	-	-		
D) Deferred Revenue Income	17036	18071	+1035	+6.07
E) Other non current liabilities	-	-		
TOTAL NON CURRENT LIABILITIES (B)	107070	108626	+1556	+1.45
CURRENT LIABILITIES				
A) Financial Liabilities				
1) Borrowings	281288	175982	-105306	-37.43
2) Lease liability	4512	3879	-633	-14.02
3) Trade payable				
a) Due to micro and small enterprise	158042	194079	+36037	+22.80
b) Due to other than micro and small enterprise	707057	781983	+74926	+10.59
Other financial liabilities	500207	621673	+121466	+24.28
B) Provisions	23863	49006	+25143	+105.36
C) Current Tax liability	-	14055	+14055	
D) Other current liability	40078	46969	+6891	+17.19
TOTAL LIABILITIES(C)	1715047	1887626	+172579	+8.89
TOTAL LIABILITIES(A+B+C)	4312046	4942716	+630670	+14.62

INTREPRETATION

The value of Total current asset has been Increased from Rs.2957687 to Rs. 3641880 with the change of +23.13 % in the year 2020 to 2021. The value of Total fixed asset is Increased from Rs.635026 to Rs. 1194002 with the change of +88.02% in the year 2020to 2021. The value of current liabilities is Increased from Rs. 1715047 to 1867626 with the change of +8.89% in the year 2020 to 2021. The value of Total Noncurrent liabilities is Increased from 107070 to 108626 with the change of +1.45 % in the year 2020 to 2021.

COMPARITIVE BALACE SHEET AS ON 31ST MARCH 2022 AND 2021

	2021	2022	Increase (+) or Decrease (-) in 2022-2021	
			Rs.	(%)
ASSETS				
CURRENT ASSETS				
A) Inventories	703039	789244	+86205	+12.26
B) Financial assets				
1)Investments	-	-		
2)Tade Receivables	597769	535802	-61967	-10.36
3)Cash and cash equivalents	95548	148642	+53094	+55.56
4)Bank balance other than	2181365	2586434	+405069	+18.56
5)Loans	-	-		
6)Other financial assets	64159	74665	+10506	+16.37
Other current assets	106834	107457	+623	+0.58
TOTAL CURRENT ASSETS	3748714	4242244	+493530	+13.16
NON CURRENT ASSETS				
A) Property, plant	745708	692213	-53495	-7.17
B) Right use of asset	106229	109649	+3420	+3.21
c) Capital W-I-P	4450	1867	-2583	-58.04
C)Other tangible assets	1535	863	-672	-43.77
D)Financial assets				
1)Investments	131661	151347	+19686	+14.95
2)Other financial assets	23188	23137	-51	-0.21
E) Non current tax asset	108167	43865	-64302	-59.44
F) Deferred tax rate	64514	73028	+8514	+13.19
G) Other non current asset	8550	4380	-4170	-48.77
TOTAL FIXED ASSETS	1194002	1100349	-93653	-7.84
TOTAL ASSET (A+B)	4942716	5342593	-399877	-8.09
EQUITY AND LIABILITIES				
EQUITY;				
A) Equity share capital	141303	141303	-	-
B) Other equity	2805161	3155011	+349850	+12.47
TOTAL EQUITY (A)	2946464	3296314	+349850	+11.87
LIABILITIES;				
1) Non current liabilities				
A) Financial liabilities				
Other financial liabilities	-	-		
Lease liabilities	11577	13383	+1806	+15.59

B) Provisions	78978	51565	-27413	-34.70
C) Deferred Tax liabilities	-	-		
D) Deferred Revenue Income	18071	18878	+807	+4.46
E) Other non current liabilities	-	-		
TOTAL NON CURRENT LIABILITIES (B)	108626	83826	-24800	-22.83
CURRENT LIABILITIES				
A) Financial Liabilities				
1) Borrowings	175982	203844	+27862	+15.83
2) Lease liability	3879	4898	+1019	+26.26
3) Trade payable				
a) Due to micro and small enterprise	194079	207460	+13381	+5.86
b) Due to other than micro and small enterprise	781983	827112	+45129	+5.77
Other financial liabilities	621673	611140	-10533	-1.69
B) Provisions	49006	43193	-5813	-11.86
C) Current Tax liability	14055	30943	+16888	+120.15
D) Other current liability	46969	61888	+14919	+31.76
TOTAL CURRENT LIABILITY	1887626	1990478	-102852	-5.44
TOTAL LIABILITIES(C)				
TOTAL LIABILITIES(A+B+C)	31742716	+5370618	-26372098	-83.08

INTREPRETATION

The value of Total current asset has been Increased from Rs.3748714 to Rs. 4242244 with the change of +13.16 % in the year 2021 to 2022. The value of Total fixed asset is Decreased from Rs.1194002 to Rs. 1100349 with the change of -7.84% in the year 2021 to 2022. The value of current liabilities is Increased from Rs. 1887626 to 1990478 with the change of +5.44% in the year 2021 to 2022. The value of Total Noncurrent liabilities is Increased from 108626 to 83826 with the change of -22.83 % in the year 2021 to 2022.

COMPARITIVE BALACE SHEET AS ON 31ST MARCH 2023 AND 2022

	2022	2023	Increase (+) or Decrease (-) in 2022-2021	
ASSETS				
CURRENT ASSETS			Rs.	(%)
A) Inventories	789244	845146	+55902	+7.08
B) Financial assets				
1) Investments	-	-		
2) Trade Receivables	535802	920991	+385189	+71.89
3) Cash and cash equivalents	148642	93203	-55439	-37.29
4) Bank balance other than	2586434	8378397	+5791963	+223.9
5) Loans	-	-		
6) Other financial assets	74665	241829	+167164	+22.38
Other current assets	107457	181183	+73726	+68.60

TOTAL CURRENT ASSETS	4242244	10660749	+6418505	+151.29
NON CURRENT ASSETS				
A) Property, plant	692213	605659	-86554	-12.50
B) Right use of asset	109649	105874	-3775	-3.44
c) Capital W-I-P	1867	27887	+26020	+1393.6
C)Other tangible assets	863	366	-497	-57.58
D)Financial assets				
1)Investments	151347	128480	-22867	-15.10
2)Other financial assets	23137	38757	+15620	+67.51
E) Non current tax asset	43865	28200	-15665	-35.71
F) Deferred tax rate	73028	43597	-29431	-40.30
G) Other non current asset	4380	61539	+57159	+1305.
TOTAL FIXED ASSETS	1100349	1040359	-59990	-5.45
TOTAL ASSET (A+B)	5342593	11701108	+6358515	+119.01
EQUITY AND LIABILITIES				
EQUITY;				
A) Equity share capital	141303	141303	-	-
B) Other equity	3155011	9392538	+6237527	+197.70
TOTAL EQUITY (A)	3296314	9533841	+6237527	+189.2
LIABILITIES;				
1) Non current liabilities				
A) Financial liabilities				
Other financial liabilities	-	-		
Lease liabilities	13383	12149	-1234	-9.22
B) Provisions	51565	30283	-21282	-41.27
C) Deferred Tax liabilities	-	-		
D) Deferred Revenue Income	18878	17036	-1842	-9.75
E) Other non current liabilities	-	-		
TOTAL NON CURRENT LIABILITIES (B)	83826	59468	-24358	-29.05
CURRENT LIABILITIES				
A)Financial Liabilities				
1)Borrowings	203844	255283	+51439	+25.23
2) Lease liability	4898	5855	+957	+19.53
3)Trade payable				
a)Due to micro and small enterprise	207460	244641	+37181	+17.92
b)Due to other than micro and small enterprise	827112	999956	+172844	+20.89

Other financial liabilities	611140	492675	-118465	-19.38
B)Provisions	43193	47803	+4610	+10.67
C) Current Tax liability	30943	25175	-5768	-18.73
D)Other current liability	61888	36411	-25477	-41.16
TOTAL LIABILITIES(C)	1990478	2107799	+117321	+5.89
TOTAL LIABILITIES(A+B+C)	5370618	11701108	+6330490	+117.87

INTREPRETATION

The value of Total current asset has been Increased from Rs.4242244 to Rs. 10660749 with the change of +151.29 % in the year 2022 to 2023. The value of Total fixed asset is Decreased from Rs.1100349 to Rs. 1040359 with the change of -5.45% in the year 2022 to2023. The value of current liabilities is Decreased from Rs. 1990478 to 2107799 with the change of -5.89% in the year 2022 to 2023. The value of Total Noncurrent liabilities is Increased from 83826 to 59468 with the change of -29.05% in the year 2022 to 2023.

SUMMARY OF FINDINGS

- The current ratio of the company indicates that the current assets and current liabilities are in stabilized position to meet the current need of the company.
- The liquid ratio of the company shows that the company is good for investors to invest.
- The cash ratio of the company shows the repaying where the capacity of repayment of loans will be quiet nominal
- It was noted that the net profit ratio was favourable in the year 2023 compare to other year.
- The fixed asset turnover ratio of the company shows the positive result.
- It was noted that the capital turnover ratio was progressive one.
- It was noted that there was a decrease in inventory compare with 2019. So, the finding of inventory is positive.
- It was found that the company must focus on generating cash from operating activities and strength the financial liquidity to tackle the financial crisis effective strategies on evaluating the cash returns from investments.
- Here The year 2020 cash from operating activities was in very positive compare with 20
- It was found that the company has a favourable in the year of 2021 cash from operating activities.
- In 2022 It was found that company should focus on cash from operating activities.
- The company should focus on the cash from operating activities.
- The company should concentrate more on collecting debts and they should focus on increasing the profitability.
- This is due to the significant decline in total fixed assets and the substantial increase in total non-current liabilities. The increase in current liabilities is also a concern, as it could indicate short-term financial strain.
- The company must concentrate more on collecting debts and they should focus on reducing the liabilities.
- This is due to the significant decline in total fixed assets and the substantial increase in total non-current liabilities. The increase in current liabilities is also a concern, as it could indicate short-term financial strain.
- Things are looking positive. But to be sure, it's important to understand why the current assets grew so much. The company must concentrate more on collecting debts and they should focus on reducing the liabilities.

CONCLUSION

This report is the resultant of intricate study of various data and information related to topic "A STUDY ON AN ANALYSIS ON THE IMPACT OF CASH FLOW TOWARDS FINANCIAL PERFORMANCE". This report results in conclusion and suggestion at the end of this study. The study an assessment of how effective the company is in its financial position.

The main purpose of this study was to examine if evidence of a structural change can be detected from the decision-making practice of cash management. Though survey an attempt was made to identify the best practices followed by the company and their developments during the research period changed significantly during the research period.

Generally, the survey evidence showed that firms have achieved significantly technology progress (improving system and methods) and significant behavioural changes (Increasing professionalism) concerning cash management practices during the research period, referring to increasing opportunities for more effective cash management operations.

The final conclusion is that in future more attention should be devoted to improve the cash management process. This study presents some aspects which may help to explain the current behaviour of cash management of the company.

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