A Study on Fund Flow Management with Reference To 180 Degree Fright Forwarders Pvt Ltd

DR. J. Pavithra

Assistant Professor, Department of Management Studies, BIHER

ABSTRACT

The project titled "A Study on Fund flow management" conducted in 180 Degree Freight Forwarders Pvt Ltd to analyses the performance of an asset or fund is not taken into account. The objective of this study is to determine the operational efficiency of the company using ratios, to know the changes in financial statement for the past 5 years by using working capital statement, to forecast the future changes using the trend analysis, to conduct fund flow statement for 2014-2018, to identify the financial strength and weakness that the company might have and to analyse the relationship between Net profit and EPS using Correlation analysis. The scope for this project is that the study covers all the components of current assets and current liabilities for the year 2014-2018, the study also deals with the various ratios imparted in the organization, and the working capital is one of the dynamic and vital aspects of the business operation.

This project helps the company to achieve the objectives by using ratio analysis and then arriving at conclusions, which are important to understand the efficiency / inefficiency of Cash. It helps the company to analyze whether the cash required to meet out the current liabilities is maintained at a normal level that shows the company follows an average policy.

The firm has to invest enough funds in current asset for generating sales. Current asset are needed because sales do not convert into cash instantaneously. There is always an operating cycle involved in the conversion of sales into cash.

INTRODUCTION OF STUDY

DEFINITION OF FINANCE

According to Khan and Jain, "Finance is the art and science of managing money". According to Oxford dictionary, the word 'finance' connotes 'management of money'. Webster's Ninth New Collegiate Dictionary defines finance as "the Science on study of the management of funds' and the management of fund as the system that includes the circulation of money, the granting of credit, the making of investments, and the provision of banking facilities.

DEFINITION OF BUSINESS FINANCE

According to the Wheeler, "Business finance is that business activity which concerns with the acquisition and conversation of capital funds in meeting financial needs and overall objectives of a business enterprise".

According to the Guthumann and Dougall, "Business finance can broadly be defined as the activity concerned with planning, raising, controlling, administering of the funds used in the business".

In the words of Parhter and Wert, "Business finance deals primarily with raising, administering and disbursing funds by privately owned business units operating in nonfinancial fields of industry".

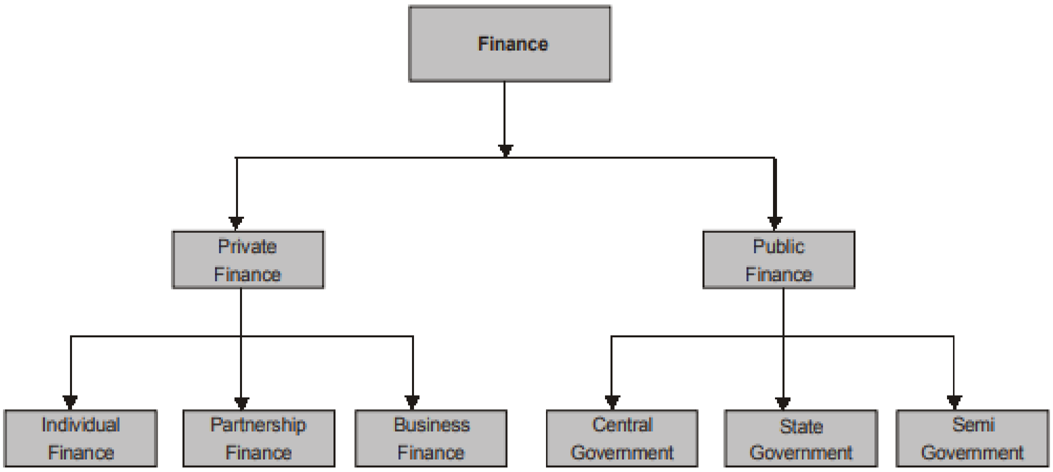
Corporate finance is concerned with budgeting, financial forecasting, cash management, credit administration, investment analysis and fund procurement of the business concern and the business concern needs to adopt modern technology and application suitable to the global environment.

According to the Encyclopedia of Social Sciences, "Corporation finance deals with the financial problems of corporate enterprises. These problems include the financial aspects of the promotion of new enterprises and their administration during early development, the accounting problems connected with the distinction between capital and income, the administrative questions created by growth and expansion, and finally, the financial adjustments required for the bolstering up or rehabilitation of a corporation which has come into financial difficulties".

TYPES OF FINANCE

Finance is one of the important and integral part of business concerns, hence, it plays a major role in every part of the business activities. It is used in all the area of the activities under the different names.

Finance can be classified into two major parts:



Private Finance, which includes the Individual, Firms, Business or Corporate Financial activities to meet the requirements.

Public Finance which concerns with revenue and disbursement of Government such as Central Government, State Government and Semi-Government Financial matters.

DEFINITION OF FINANCIAL MANAGEMENT

Financial management is an integral part of overall management. It is concerned with the duties of the financial managers in the business firm.

The term financial management has been defined by Solomon, "It is concerned with the efficient use of an important economic resource namely, capital funds".

The most popular and acceptable definition of financial management as given by S.C. Kuchal is that "Financial Management deals with procurement of funds and their effective utilization in the business".

Howard and Upton: Financial management "as an application of general managerial principles to the area of financial decision-making.

Weston and Brigham: Financial management "is an area of financial decision-making, harmonizing individual motives and enterprise goals".

Joshep and Massie: Financial management "is the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operations.

Thus, Financial Management is mainly concerned with the effective funds management in the business. In simple words, Financial Management as practiced by business firms can be called as Corporation Finance or Business Finance.

SCOPE OF FINANCIAL MANAGEMENT

Financial management is one of the important parts of overall management, which is directly related with various functional departments like personnel, marketing and production. Financial management covers wide area with multidimensional approaches. The following are the important scope of financial management.

1. Financial Management and Economics

Economic concepts like micro and macroeconomics are directly applied with the financial management approaches. Investment decisions, micro and macro environmental factors are closely associated with the functions of financial manager. Financial management also uses the economic equations like money value discount factor, economic order quantity etc. Financial economics is one of the emerging area, which provides immense opportunities to finance, and economical areas.

2. Financial Management and Accounting

Accounting records includes the financial information of the business concern. Hence, we can easily understand the relationship between the financial management and accounting. In the olden periods, both financial management and accounting are treated as a same discipline and then it has been merged as Management Accounting because this part is very much helpful to finance manager to take decisions. But now a day's financial management and accounting discipline are separate and interrelated.

3. Financial Management or Mathematics

Modern approaches of the financial management applied large number of mathematical and statistical tools and techniques. They are also called as econometrics. Economic order quantity, discount factor, time value of money, present value of money, cost of capital, capital structure theories, dividend theories, ratio analysis and working capital analysis are used as mathematical and statistical tools and techniques in the field of financial management.

4. Financial Management and Production Management

Production management is the operational part of the business concern, which helps to multiple the money into profit. Profit of the concern depends upon the production performance. Production performance needs finance, because production department requires raw material, machinery, wages, operating expenses etc. These expenditures are decided and estimated by the financial department and the finance manager allocates the appropriate finance to production department. The financial manager must be aware of the operational process and finance required for each process of production activities.

5. Financial Management and Marketing

Produced goods are sold in the market with innovative and modern approaches. For this, the marketing department needs finance to meet their requirements. The financial manager or finance department is responsible to allocate the adequate finance to the marketing department. Hence, marketing and financial management are interrelated and depends on each other.

6. Financial Management and Human Resource

Financial management is also related with human resource department, which provides manpower to all the functional areas of the management. Financial manager should carefully evaluate the requirement of manpower to each department and allocate the finance to the human resource department as wages, salary, remuneration, commission, bonus, pension and other monetary benefits to the human resource department. Hence, financial management is directly related with human resource management.

NEED FOR THE STUDY

- To understand that an ongoing approach to the problem is essential and that short term responses may have negligible effect.
- Data such as savings ratio, debt-to-income ratio, self-evaluation of the productivity, performance rating, and absenteeism are difficult to gather as individuals may not know the exact figures of each category or may not want to reveal this information.

OBJECTIVE OF STUDY

PRIMARY OBJECTIVES:

To study the fund flow analysis of 180 Degree Freight Forwarders Pvt Ltd

SECONDARY OBJECTIVES

1. To determine the operational efficiency of the company using ratios
2. To know the changes in financial statement for the past 5 years by using working capital statement
3. To forecast the future changes using the trend analysis
4. To conduct fund flow statement for 2014-2018
5. To identify the financial strength and weakness that the company might have.
6. To analyze the relationship between Net profit and EPS using Correlation analysis

1.6 SCOPE OF STUDY

- The study covers all the components of current assets and current liabilities for the year 2014-2018
- The study also deals with the various ratios imparted in the organization.
- The working capital is one of the dynamic and vital aspects of the business operation.

LIMITATIONS OF THE STUDY

- The study mainly depends on the secondary data taken from annual report and internal records of the company.
- The figures taken from the financial statement for analysis were historical in nature.
- The study is confined to a short period of 4 months. This would not picture the exact position of company
- In depth analysis of data is not possible due to time constraint

REVIEW OF LITERATURE

1. MilaGetmansky y (2004) The Life Cycle of Hedge Funds: Fund Flows, Size and Performance

Since the 1980s we have seen a 25% yearly increase in the number of hedge funds, and an annual attrition rate of 7.10% due to liquidation. This paper analyzes the life cycles of hedge funds. Using the TASS database provided by the Tremont Company, it studies industry and fund specific factors that aff ect the survival probability of hedge funds. The findings show that in general, investors chasing individual fund performance decrease probabilities of hedge funds liquidating. However, if investors follow a category of hedge funds that has performed well, then the probability of hedge funds liquidating in this category increases. We interpret this finding as a result of competition among hedge funds in a category. As competition increases, marginal funds are more likely to be liquidated than funds that deliver superior risk-adjusted returns. We also find that there is a concave relationship between performance and assets under management. The implication of this study is that an optimal asset size can be obtained by balancing out the eff ects of past returns, fund flows, market impact, competition and favorable category positioning that are modeled in the paper. Hedge funds in illiquid categories are subject to high market impact, have limited investment opportunities, and are more likely to exhibit an optimal size behavior co mpared to those in more liquid hedge fund categories.

2. Kathryn A. Holmes, Robert W. Faff*Style drift, fund flow and fund performance: new cross-sectional evidence The linkages between style change, fund flows, fund size, and resulting fund performance are complex and not clearly understood. In this paper, we investigate these relationships using a sample of Australian multi sector trusts over the sample period 1990 to 1999. We employ a range of fund performance measures of stock selectivity. We find that levels of style drift are positively related to selectivity performance, but are not related to fund flows. We also find that fund size is positively related to fund performance and negatively related to expense ratios. Implications of our findings for investors are identified in the paper.

Fund Sources and Fund Flow Mechanism

The main sources of fund for the program will be UNDP and IDA/World Company. The program will follow the GoN's Rural Energy Policy (2006)[2] and Subsidy Policy for Renewable Energy (2006) to implement its initiatives. UNDP will provide technical assistance which will be directly channelled through the PMU. The World Company's fund will be channeled through AEPC which will be allocated to implement district level activities under grant/subsidy policy of the Government to install Micro Hydro Schemes. Flow of fund is contingent upon the approval of Annual and Quarterly Work Plan by the PEB. For UNDP's fund, the PMU will prepare quarterly plan according to the NEX/NIM modality. Based on the approved quarterly work plan, the NPM will request UNDP for quarterly advances. Yearly advance of IDA/WB fund will be delivered as grant to DEF through District Development Fund (DDF) upon the approval of PEB. For channelling of fund from AEPC to DEF, the AEPC and respective DDC will sign a Memorandum of Understanding (MOU) based on the approved work plan. In addition, as practiced in REDP, DDC will continue to allocate 5% of its resources for renewable energy related project in the proposed project sites. Similarly, the budget for activities to be implemented directly by RERL Kathmandu Office will be deposited into RERL account.
The project fund will channelize from RERL to DEF as per the work plan. As per the current practice, the EDO and LDO will be the signatories for the operation this account.
At the district level, the fund will flow from DEF to the accounts of the Support Organization and Functional Groups under MOUs between DDC and concerned parties. EDO and Coordinator of SO will be the signatories of SO account. Similarly, the EDO and Chairperson or Manager of FG will be the signatories of FG accounts.

Working capital policy refers to the firm's policies regarding 1) target levels for each category of current operating assets and liabilities, and 2) how current assets will be financed. Generally good working capital policy (i.e. under conditions of certainty) is considered to be one in which holdings of cash, securities, inventories, fixed assets, and accounts payables are minimized. The level of accounts receivables should be used as a means of stimulating sales and other income. Previous literature on working capital management has found a negative association, overall, between level of working capital and operating performance as measured by operating returns and operating margins Peterson and Rajan, (1997)[4]. Under conditions of certainty (i.e. sales, costs, lead times, payment periods, and so on, are known), firms have little reason to hold more working capital than a minimum level.

Larger amounts would increase the level of operating assets, increase the need for external funding, resulting in lower return on assets and a lower return on equity, without any increase in profit.

However the picture changes when uncertainty (i.e. uncertain growth) is introduced Brigham and Houston,(2000)[5]. Larger amounts of cash, securities, accounts receivables, marketable securities, inventories, and fixed assets will be needed to support increased sales Required levels will be based on expected sales levels and expected order lead times. Additional holdings may be needed to enable the firm to deal with departures from the expected values. Further, firms will also attempt to increase their accounts payable balances as a means of financing increased levels of current operating assets. Firms which are in high growth stages will face the challenge of maintaining the necessary level of operating assets to support subsequent growth, while at the same time attempting to maintain adequate performance indicators.

RESEARCH METHODOLOGY

3.1 RESEARCH

Research is an organized, systematic, database, critical, objective, scientific, inquiry or investigation into a specific problem, undertaken with the purpose of finding answer or solutions to it. Emory defines research as, "any organized inquiry designed and carried out to provide information for solving a problem"

RESEARCH DESIGN

Research design is specification of methods and procedures for acquiring the information needed to structure or to solve problem.

Research design is defined as, "the arrangement of condition for collection and analysis of the data in a manner that aims to combined relevant to the research purpose with economy in procedure"

Analytical research technique was adopted in this project. The researcher used analytical type of research to analyze the past data based on which certain future decision can be made.

SOURCE OF DATA

SECONDARY DATA

These data, which have already been collected, complied and presented earlier by any agency, may be used for the purpose of investigation. Such data may be called secondary data. Secondary data may earlier be published data or unpublished data. Usually published data are available in annual report.

ANNUAL REPORT

It provides all the information about the company for the accounting period. This enables to understand the existing performance of the company.

1.4 TOOLS USED FOR THE STUDY

- Ratio analysis
- Working Capital Management
- Fund flow Statement.
- Trend Analysis

RATIO ANALYSIS

The following ratios are used to calculate the liquidity.

$$\text{Current ratio} = \frac{\text{current assets}}{\text{Current liabilities}}$$

$$\text{Cash position ratio} = \frac{\text{cash \& company}}{\text{Current liabilities}}$$

WORKING CAPITAL

Working capital = current assets – current liabilities

Working capital refers to the cash a business requires for day-to-day operations. It is the amount of funds necessary to cover the cost of operating the enterprise. It is also known as revolving or circulating capital or short term capital.

FUND FLOW MANAGEMENT

The net of all cash inflows and outflows in and out of various financial assets. Fund flow is usually measured on a monthly or quarterly basis. The performance of an asset or fund is not taken into account, only share redemptions (outflows) and share purchases (inflows).

Net inflows create excess cash for managers to invest, which theoretically creates demand for securities such as stocks and bonds.

Investopedia explains 'Fund Flow'

Investors and market analysts watch fund flows to gauge investor sentiment within specific asset classes, sectors, or for the market as a whole. For instance, if net fund flows for bonds funds during a given month is negative by a large amount, this would signal broad-based pessimism over the fixed-income markets.

DATA ANALYSIS AND INTERPRETATION

4.1 SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR 2014 AND 2015

PARTICULARS	2014 AMOUNT Rs.	2015 AMOUNT Rs.	INCREASE AMOUNT Rs.	DECREASE AMOUNT Rs.
CURRENT ASSETS:				
Cash & Balances	51534.62	55546.17	4011.55	
Balance with Company's	15931.72	48857.63	32925.90	
Advances	416768.20	542503.20	125735	
TOTAL CURRENT ASSETS	**484234.50**	**646907**		
LESS: CURRENT LIABILITIES				
Other Liabilities & Provisions	83362.30	110697.57	162672.45	27335.27
TOTAL CURRENT LIABILITIES	**83362.30**	**110697.57**		
NET WORKING CAPITAL	**400872.20**	**536209.43**		
TOTAL			**162672.45**	**27335.27**
NET CHANGE IN WC			**135337.18**	

Statement of changes in Non-Current Accounts

Account	Balance as on		Change		Type	Result
	2014	015	Amount	Direction		
Fixed Asset	609408.96	822031.57	212622.61	Increase	Asset	Outflow
Share Capital	631.47	634.88	3.41	Increase	Liability	Inflow
Reserves	48,401.19	57,312.82	8911.63	Increase	Liability	Inflow
Debt	589,131.35	795,786.81	206655.46	Increase	Liability	Inflow

CALCULATION OF FUND FLOW STATEMENT

Sources/ Inflow of funds	RS	Application/ Outflow of funds	Rs
Share Capital Reserves Debt Net Increase in WC	3.41 8911.63 206655.46 132389.29	Fixed Asset Fund Flow operation	212622.61 135337.18
	347959.79		347959.79

INFERENCE:

The Net decrease in Working capital for the year 2014 -2015 is 132389.29

The fund flow operation for the year 2014-2015 is 135337.18

4.2 SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR 2015 AND 2016

PARTICULARS	2015 AMOUNT Rs.	2016 AMOUNT Rs.	INCREASE AMOUNT Rs.	DECREASE AMOUNT Rs.
CURRENT ASSETS:				
Cash & Balances	55546.17	61290.87	5744.70	
Balance with Company's	48857.63	34892.98		13964.65
Advances	542503.20	631914.15	89411	
TOTAL CURRENT ASSETS	**646907**	**728098**		
LESS: CURRENT LIABILITIES				
Other Liabilities & Provisions	110697.57	80336.70	30360.87	
TOTAL CURRENT LIABILITIES	**110697.57**	80336.70	**30360.87**	
NET WORKING CAPITAL	**536209.43**	**647761.30**		
TOTAL			**125576.57**	**13964.65**
NET CHANGE IN WC			**111551.92**	

Statement of changes in Non-Current Accounts

Account	Balance as on		Change		Type	Result
	2015	2016	Amount	Direction		
Fixed Asset	822031.57	921822.05	99790.48	Increase	Asset	Out flow
Share Capital	634.88	634.88	-	No change	Liability	No flow
Reserves	57,312.82	65314.32	8001.50	Increase	Liability	Inflow
Debt	795,786.81	907127.83	171341.02	Increase	Liability	Inflow

CALCULATION OF FUND FLOW STATEMENT

Sources/ Inflow of funds	RS	Application/ Outflow of funds	Rs
Reserves Debt Increase in WC	8001.50 171341.02 31999.88	Fund flow operation Fixed assets	111551.92 99790.48
	211342.40		211342.40

INFERENCE:

The Net Increase in Working capital for the year 2015-2016 is 31999.88
The fund flow operation for the year 2015-2016 is 111551.92

SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR ENDED 2016-2017

PARTICULARS	2016 AMOUNT Rs.	2017 AMOUNT Rs.	INCREASE AMOUNT Rs.	DECREASE AMOUNT Rs.
CURRENT ASSETS:				
Cash & Balances	61290.87	94395.50		33104.6
Balance with Company's	34892.98	28478.65	6414.33	
Advances	631914.15	756719.45		124805
TOTAL CURRENT ASSETS	**728098**	**879593.6**		
LESS: CURRENT LIABILITIES				
Other Liabilities & Provisions	80336.70	105248.39	24911.69	
TOTAL CURRENT LIABILITIES	**80336.70**	**105248.39**		
NET WORKING CAPITAL	**647761.30**	**774345.21**		
TOTAL			**31326.02**	**157909.6**
NET CHANGE IN WC				126583.58

Statement of changes in Non-Current Accounts

Account	Balance as on		Change		Type	Result
	2016	2017	Amount	Direction		
Fixed Asset	921822.05	1056751.97	134929.92	Increase	Asset	Outflow
Share Capital	634.88	635.00	0.12	Increase	Liability	Inflow
Reserves	65314.32	64351.04	(963.28)	Decrease	Liability	Outflow
Debt	907127.83	1053501.77	146374	Increase	Liability	Inflow

CALCULATION OF FUND FLOW STATEMENT

Sources/ Inflow of funds	RS	Application/ Outflow of funds	Rs
Debt Share Capital Funds from Operation Increase in WC	146374 0.12 126583.58 137064.50	Fixed Asset Reserves	134929.92 963.28
	272957.70		272957.70

INFERENCE:

The Net Increase in Working capital for the year 2016-2017 is 137064.50

The fund from operation for the year 2016-2017 is 126583.58

SCHEDULE OF CHANGES IN WORKING CAPITAL FOR THE YEAR ENDED 2017-2018

PARTICULARS	2017 AMOUNT Rs.	2018 AMOUNT Rs.	INCREASE AMOUNT Rs.	DECREASE AMOUNT Rs.
CURRENT ASSETS:				
Cash & Balances	94395.50	54075.94		40319.56
Balance with Company's	28478.65	43087.23	14608.60	
Advances	756719.45	867578.89	110859	
TOTAL CURRENT ASSETS	**879593.6**	**964742.06**		
LESS: CURRENT LIABILITIES				
Other Liabilities & Provisions	105248.39	80915.09	24333.30	
TOTAL CURRENT LIABILITIES	**105248.39**	**80915.09**		
NET WORKING CAPITAL	**774345.21**			
TOTAL			**149800.9**	**40319.56**
NET CHANGE IN WC				109481.34

Statement of changes in Non-Current Accounts

Account	Balance as on		Change		Type	Result
	2017	2018	Amount	Direction		
Fixed Asset	1056751.97	1184910.37	128158.40	Increase	Asset	Outflow
Share Capital	635.00	671.04	36.04	Increase	Liability	Inflow
Reserves	64351.04	83,280.16	18929.12	Increase	Liability	Inflow
Debt	1053501.77	1,170,652.93	117151.16	Increase	Liability	Inflow

CALCULATION OF FUND FLOW STATEMENT

Sources/ Inflow of funds	RS	Application/ Outflow of funds	Rs
Share Capital Reserves Debt Funds from Operation	36.04 18929.12 117151.16 109481.34	Decrease in WC Fixed Asset	117439.26 128158.40
	245597.66		245597.66

INFERENCE:

The Net Decrease in Working capital for the year 2017-2018 is 117439.26

The fund from operation for the year 2017-2018 is 109481.34

RATIO ANALYSIS

CURRENT RATIO

Current ratio is an index of the concern's financial stability. If a higher current ratio is an indication of in adequate employment of funds, a poor current ratio is a danger signal to the management.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liability}}$$

CURRENT RATIO

Year	Current Asset	Current Liability	Current Ratio
2014	484234.54	83362.30	5.81
2015	646907.00	110697.57	5.84
2016	728098.00	80336.70	9.06
2017	879593.60	105248.39	8.36
2018	964742.06	80915.09	11.92

SIGNIFICANCE

It shows that current ratio was high in the year 2018 with 11.92and low in the year 2014 with 5.81. The current year (2018) current ratio is found to be the highest (11.92) due to the decrease in the liabilities.

CURRENT RATIOTABLE: 4.2.2 CASH POSITION RATIO

Year	Cash-company	Current liabilities	Ratio (Times)
2014	67,466.34	83362.30	0.81
2015	104,403.80	110697.57	0.94
2016	96,183.85	80336.70	1.20
2017	122,874.15	105248.39	1.17
2018	97,163.17	80915.09	1.20

Source: Secondary Data

SIGNIFICANCE

From the table, it is inferred that the cash position ratio is high in the years 2016 and 2018 with 1.20 and low in the year 2014 with 0.81. The current year (2018) cash position ratio has increased to 1.20 when compared to the previous year 2017 with 1.17.

STANDARD DEVIATION CALCULATION OF NET PROFIT:

Year	NET PROFIT (x)	$\overline{X} = \sum X/5$	$X = x - \overline{X}$	X^2
2014	6729.46	8820.29	-2090.83	4371570.089
2015	9121.57	8820.29	301.28	90769.6384
2016	9166.39	8820.29	346.10	119785.21
2017	7370.69	8820.29	-1449.60	2101340.16
2018	11713.34	8820.29	2893.05	8369738.303
$\sum$ **X**	**44101.45**		$\sum X^2$	**15053203.40**
			$\sum X^2$ / N	3010640.68
			S.D =	1735.12

INFERENCE:

The greater the S.D, the greater will be the magnitude of the deviations of the values from the mean. The S.D measures the variability of values. Net profit is fluctuating throughout the period of study. Net profit is high in 2018 and very low in 2014. The Standard Deviation for NP is 1735.12

STANDARD DEVIATION CALCULATION OF CASH AND COMPANY:

Year	Cash and company (X)	● $= \sum X/5$	$X = X - \overline{X}$	X^2
2014	67466.34	97618.26	-30151.9	909138400.30
2015	104403.80	97618.26	6785.54	46043553.09
2016	96183.85	97618.26	-1434.41	2057532.048
2017	122874.15	97618.26	25255.89	637859979.70
2018	97163.17	97618.26	-455.09	207106.9081
$\sum$ **X**	**488091.30**		$\sum X^2$	**1595306572**
			$\sum X^2$ / N	319061314.4
			S.D =	17862.287

INFERENCE:

The cash and company of the company has been fluctuating for all the 5 years. In the year 2018 the Cash and company balance has been decreased to 97163.17. The standard deviation of Cash and company balance is 17862.287

CORRELATION CALCULATION OF NET PROFIT AND EPS

Year	NET PROFIT (X)	X^2	EPS(Y)	Y^2	XY
2014	6729.46	29357.39	106.56	11355.0336	717091.3
2015	9121.57	26425.75	143.67	20641.0689	1310496
2016	9166.39	233462.91	144.37	20842.6969	1323352
2017	7370.69	266204.40	116.07	13472.2449	855516
2018	11713.34	92695.89	174.15	30328.2225	2039878
$\sum$ =	**44101.45**	**404040781.8**	**684.82**	96639.2668	30201755
				CORRELATION	**0.995787**

INFERENCE:

There is a high degree of correlation between Net profit and EPS because the correlation value (**0.995787**) is more than 0.05. It measures the closeness of relationship between Net profit and EPS and they both have a positive correlation.

FINDINGS

1. The Net decrease in Working capital for the year 2014 -2015 is 135337.18
2. The fund flow operation for the year 2014-2015 is 142545.18
3. The Net decrease in Working capital for the year 2015-2016 is 9288332.39
4. The fund flow operation for the year 2015-2016 is 9579226.83
5. The Net Increase in Working capital for the year 2016-2017 is 126583.58
6. The fund from operation for the year 2016-2017 is 9594259.74
7. The Net Increase in Working capital for the year 2017-2018 is 109481.34

8. The fund from operation for the year 2017-2018 is 53277.56
9. The current year (2018) current ratio is found to be the highest (11.92) due to the decrease in the liabilities.
10. The current year (2018) cash position ratio has increased to 1.20 when compared to the previous year 2017 with 1.17.
11. The current year (2018) proprietary ratio is found to be 0.06286 it is in a increasing position.
12. The Standard Deviation for NP is 1735.12
13. The standard deviation of Cash and company balance is 17862.287
14. There is a high degree of correlation between Net profit and EPS because the correlation value (**0.995787**) is more than 0.05. It measures the closeness of relationship between Net profit and EPS and they both have a positive correlation.
15. The current year(2018) return on shareholders' equity is increased to 17.45
16. In the year 2017 the Debt-equity ratio is higher which means that the company is having a higher leverage.
17. In the year 2018 the Fixed asset ratio is increased to 0.0044. This means that the company's fixed asset position is satisfactory
18. On the year 2018 the Return on Asset is higher. Thus higher values of return on assets show that business is more profitable
19. The present year debt to total asset ratio is increased to 87.65% when compared to the previous year 86.09%.

1.2 SUGGESTIONS

1. There are various global challenges that are faced by every company in the present competitive environment and 180 Degree Freight Forwarders Pvt Ltd is not any exemption. To face the present global challenges the human resources department should be develop to improve various skills among the employees specially the motivational skills and having the regular training for the employees about various developments in the market.
2. The current assets should be managed more effectively so as to avoid unnecessary blocking of capital that could be used for other purposes.
3. The Working Capital requirement is to be assessed based on the norms circulated by RBI
4. The company has maintained proper records showing full particulars, quantitative details and solutions of fixed assets are indicated for major items in the register, the managements during the year has conducted a random verification in respect of fixed assets, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets.

CONCLUSION

The company is performing exceptionally well due to the up wising in the global market followed by the domestic market. It is an upcoming one with good and innovative ideas and believed in improving all the areas of its operations. The company has a good liquidity position and does not delay its commitment in cash of both its creditors and debtors. The company being mostly dependent on the working capital facilities, it is maintaining very good relationship with their companies and their working capital management is well balanced.

BIBLIOGRAPHY:

- www.investopedia.com/
- www.studyfinance.com/
- en.wikipedia.org/wiki/
- http://www.bimite.co.in/

BOOKS:

1. Bolten, SE, Managerial finance – Principles and Practices, Houghton, Miffin company, Boston 1976, p.162
2. Financial Management(Tenth Edition), I.M. Pandey & Brealey, R. and S., Myers, principles of Corporate Finance, McGraw Hill, 1991, p.159 – 190
3. An introduction to Financial Management, Good year Publishing company, Santa Califf, Solomn, Ezra and JJ Prigle, 1977, p.282 -312
4. Brigham, E. F. and Houston, J. F. Fundamentals of Financial Management, Concise Third Edition, Harcourt Publishers, 2001.