

## A study on CASH MANAGEMENT of Selected Textile companies of Gujarat

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### ABSTRACT:

Industrial development is necessary for growth and development of country. the textile industry of India play vital role for growth and development of economy, domestic as well as international too. So it is very important to evaluate cash management of textile industry. In this paper researcher has selected 10 textile companies of Gujarat for comparative study for the period 2005-06 to 2014-15. The accounting technique of Ratio analysis , Comparative analysis, Statistical techniques are adopted for study .

### INTRODUCTION

Cash management is the key component for corporate in the process of collecting and managing the cash as well as using of it in investing .it is also useful for knowing company's financial stability and solvency.

#### 1. Size of cash & Bank of Textile Companies

Size of cash & Bank of Textile Companies (In Crore)

Year	Arvind Ltd.	Ashima Ltd.	Digjam Ltd.	GSM L	MIL	MT L	Nakoda Ltd.	SDM L	Sintex Ltd.	STM L	TOTAL L	AVG
2005-06	9.59	8.20	32.69	28.44	11.03	1.30	5.92	8.65	355.35	2.36	463.53	46.35
2006-07	22.31	5.61	4.34	19.42	36.72	1.37	14.62	18.93	385.30	2.83	511.45	51.15
2007-08	16.32	7.03	2.21	76.17	36.72	1.63	29.05	20.86	1325.87	1.69	1517.55	151.76
2008-09	26.83	4.61	0.62	72.88	20.15	1.57	35.45	20.72	1099.47	5.17	1287.47	128.75
2009-10	43.14	7.74	2.12	34.81	35.46	1.73	65.04	11.64	815.04	12.27	1028.99	102.90
2010-11	29.09	6.42	0.39	21.12	634.63	2.45	187.91	17.07	900.44	1.03	1800.55	180.06
2011-12	41.41	6.74	1.66	36.17	189.23	0.70	245.10	18.45	605.63	2.12	1147.21	114.72
2012-13	151.14	5.00	1.18	31.49	141.85	0.83	225.22	15.47	781.29	7.32	1360.79	136.08

2013-14	123.83	6.19	1.78	31.98	107.61	0.33	244.73	16.10	102.70	1.81	<b>637.06</b>	<b>63.71</b>
2014-15	50.17	7.49	2.09	45.37	113.48	2.22	3.97	23.11	336.51	0.22	<b>584.63</b>	<b>58.46</b>
<b>TOTAL</b>	<b>513.83</b>	<b>65.03</b>	<b>49.08</b>	<b>397.85</b>	<b>1326.88</b>	<b>14.13</b>	<b>1057.01</b>	<b>171.00</b>	<b>6707.60</b>	<b>36.82</b>	<b>10339.23</b>	<b>1033.92</b>
<b>AVG.</b>	<b>51.38</b>	<b>6.50</b>	<b>4.91</b>	<b>39.79</b>	<b>132.69</b>	<b>1.41</b>	<b>105.70</b>	<b>17.10</b>	<b>670.76</b>	<b>3.68</b>		
<b>SD</b>	<b>47.48</b>	<b>1.18</b>	<b>9.82</b>	<b>19.75</b>	<b>186.06</b>	<b>0.66</b>	<b>105.87</b>	<b>4.39</b>	<b>382.74</b>	<b>3.66</b>		
<b>CV</b>	<b>92.41</b>	<b>18.10</b>	<b>200.12</b>	<b>49.64</b>	<b>140.22</b>	<b>46.79</b>	<b>100.16</b>	<b>25.67</b>	<b>57.06</b>	<b>99.42</b>		

Source : Annual Report of selected textile companies form 2005-06 to 2014-15

The size of the cash and bank balance show increasing trend in all most selected companies. MIL , Nakoda limited and Sintex has a more cash on hand during the study period. The over all average of cash & bank in selected textile companies was Rs. 1033.92 cr.

## 2. Cash to current liabilities of Textile Companies

This ratio is calculated with the help of cash & bank and marketable securities and current liabilities except bank overdraft and cash credit.

It expressed as under

$$\frac{\text{Cash}}{\text{Current liabilities - Bank overdraft}}$$

A higher cash to current liabilities ratio is acceptable for firm. it indicate good limiting position the company's current liabilities can be protected by cash and cash equivalents very much higher ratio is not admirable for company.

### Cash to current liabilities of Textile Companies (In Times)

Year	Arvin d Ltd.	Ashi ma Ltd.	Digja m Ltd.	GSM L	MIL	MT L	Nako da Ltd.	SDM L	Sinte x Ltd.	STM L	AV G
2005-06	0.01	0.10	0.28	0.14	0.03	0.10	0.13	1.35	1.09	0.11	<b>0.33</b>
2006-07	0.02	0.09	0.09	0.59	0.13	0.04	0.13	1.57	1.19	0.12	<b>0.40</b>
2007-08	0.02	0.14	0.03	0.31	0.13	0.04	0.17	1.57	1.93	0.08	<b>0.44</b>
2008-09	0.02	0.10	0.01	0.33	0.09	0.02	0.16	1.40	1.56	0.43	<b>0.41</b>

2009-10	0.03	0.16	0.02	0.18	0.24	0.02	0.22	1.08	0.81	0.34	<b>0.31</b>
2010-11	0.02	0.29	0.00	0.06	1.57	0.16	0.30	0.84	1.06	0.02	<b>0.43</b>
2011-12	0.02	0.37	0.02	0.04	2.56	0.06	0.29	0.65	0.21	0.09	<b>0.43</b>
2012-13	0.04	0.14	0.01	0.05	0.05	0.05	0.22	0.63	0.57	0.19	<b>0.20</b>
2013-14	0.06	0.17	0.02	0.06	0.08	0.01	0.19	0.89	0.10	0.05	<b>0.16</b>
2014-15	0.02	0.06	0.02	0.10	0.08	0.01	0.10	1.58	0.19	0.01	<b>0.22</b>
<b>AVG.</b>	<b>0.03</b>	<b>0.16</b>	<b>0.05</b>	<b>0.19</b>	<b>0.50</b>	<b>0.05</b>	<b>0.19</b>	<b>1.16</b>	<b>0.87</b>	<b>0.14</b>	<b>0.33</b>
<b>SD</b>	<b>57.41</b>	<b>59.62</b>	<b>168.92</b>	<b>94.90</b>	<b>173.62</b>	<b>92.18</b>	<b>35.12</b>	<b>33.24</b>	<b>70.27</b>	<b>96.35</b>	<b>88.16</b>
<b>CV</b>	<b>0.02</b>	<b>0.10</b>	<b>0.08</b>	<b>0.18</b>	<b>0.86</b>	<b>0.05</b>	<b>0.07</b>	<b>0.38</b>	<b>0.61</b>	<b>0.14</b>	<b>0.25</b>

Source : Annual Report of selected textile companies form 2005-06 to 2014-15

The SDML average of ratio was 1.16 times higher than other textile companies. The year wise overall average of cash to current liabilities ratio was 0.33 times. The C.V. of selected textile companies respectively 57.41%, 59.62% 168.92%, 94.90%, 173.62%, 92.18%, 35.12%, 33.24%, 70.27%, 96.35% and over all C.V. was 86.16%.

To find out the variation in cash to current liabilities ratio the following hypothesis has been established

- H<sub>0</sub> : There is no significance difference in cash to current liabilities ratio in between the year and between the selected textile companies.
- H<sub>1</sub> : There is significance different in cash to current liabilities in between the year and between the selected textile companies.

For the above stated hypothesis ANOVA test has been applied which is stated as below.

**Table of ANOVA Cash to Current Liabilities Ratio.**

ANOVA					
CASH TO CURRENT LIABILITIES					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13.538	9	1.504	11.245	.000
Within Groups	12.038	90	.134		
Total	25.576	99			

Above table describe average cash to current liability ratio's ANOVA test for the period 2005-06 to 2014-15. It is shows that null hypothesis has been rejected that means there is significance difference in cash to current liabilities ratio in selected textile companies. The alternative hypothesis is acceptable. For the further group wise interpretation the following test has been applied.

**Table Tukey HSD Cash To Current Liabilities.**

CASH TO CURRENT LIABILITIES				
Tukey HSD <sup>a</sup>				
Company	N	Subset for alpha = 0.05		
		1	2	3
Arvind	10	.02630		
Digjam	10	.05000		
Minaxi Ltd.	10	.05100		
Surat Textile Ltd.	10	.14400		
Ashima	10	.16200		
GSML	10	.18600		
Nakoda Ltd.	10	.19100		
MIL	10	.49600	.49600	
Sintex Ltd.	10		.87100	.87100
Shri DInesh Ltd.	10			1.15600
Sig.		.129	.404	.768
Means for groups in homogeneous subsets are displayed.				
a. Uses Harmonic Mean Sample Size = 10.000.				

Above table mention group wise classification of selected textile companies. It stated that there is no significant difference in group companies. There was three group in cash to current liabilities ratio. There is no significant difference in average cash to current liabilities ratio of first group companies are Arvind Ltd, Digjam Ltd, MTL, STML, Ashima Ltd, GSML, Nakoda Ltd and MIL, Ashima Ltd,. GSML, Nakoda Ltd, and MIL. Similarly there is no significant difference between Sintex Ltd and MIL. The Third group companies Sintex Ltd and SDML.

### 3. Cash flow Margin Ratio of Textile Companies

Cash flow margin ratio is known as profitability ratio. This ratio is used to compares the operating cash flow of business to its sales revenue so cash flow margin ratio is calculated by operating cash flow divided by net sales revenue.

This ratio is used to measure companies profitability and efficiency. It is also used to identify the abilities of earning quality.

The higher percentage is described the more cash is received form sales and lower percentage adverse .

**Cash flow Margin Ratio of Textile Companies (In Percentage)**

Year	Arvi nd Ltd.	Ashi ma Ltd.	Digja m Ltd.	GSM L	MIL	MTL	Nako da Ltd.	SDM L	Sint ex Ltd.	STM L	AV G
2005-06	14.40	11.31	3.20	6.68	0.00	21.07	2.90	22.96	20.97	1.81	<b>10.53</b>
2006-07	14.56	6.15	8.65	5.89	1.31	4.98	-0.15	24.34	14.18	0.27	<b>8.02</b>
2007-08	14.37	4.32	6.42	6.33	1.31	-45.59	-0.07	12.21	4.24	2.21	<b>0.58</b>
2008-09	8.34	-0.44	0.00	9.81	47.68	-8.09	0.52	17.53	14.89	1.57	<b>9.18</b>
2009-10	15.07	2.69	0.18	6.54	-20.47	2.25	7.90	25.66	-8.54	7.69	<b>3.90</b>
2010-11	9.82	-0.43	14.13	2.27	68.18	6.85	5.60	0.20	33.13	-3.93	<b>13.58</b>
2011-12	20.13	0.65	1.41	7.64	-174.47	2.91	48.68	72.56	-6.03	2.42	<b>-2.41</b>
2012-13	12.21	1.12	3.30	4.57	3.96	1.87	0.17	16.41	19.32	8.46	<b>7.14</b>
2013-14	12.39	1.24	1.06	3.50	1.87	0.78	-61.01	20.64	23.77	-8.58	<b>-0.43</b>
2014-15	15.75	2.28	10.98	13.34	0.92	4.62	4.70	16.08	21.75	4.09	<b>9.45</b>
<b>AVG.</b>	<b>13.70</b>	<b>2.89</b>	<b>4.93</b>	<b>6.66</b>	<b>-6.97</b>	<b>-0.84</b>	<b>0.92</b>	<b>22.86</b>	<b>13.77</b>	<b>1.60</b>	
<b>SD</b>	<b>23.93</b>	<b>124.78</b>	<b>99.58</b>	<b>47.46</b>	<b>-923.73</b>	<b>-2071.07</b>	<b>2842.39</b>	<b>82.85</b>	<b>96.94</b>	<b>313.98</b>	
<b>CV</b>	<b>3.28</b>	<b>3.61</b>	<b>4.91</b>	<b>3.16</b>	<b>64.39</b>	<b>17.29</b>	<b>26.26</b>	<b>18.94</b>	<b>13.35</b>	<b>5.03</b>	

Source : Annual Report of selected textile companies form 2005-06 to 2014-15

Above table explain cash flow margin ration of selected Textile Companies in Gujarat from 2005-06 to 2014-15. Most of sample textile companies shows increasing trend but some of them negative ratio .

The year wise overall average of cash flow margin ratio was shows mixed trend.

The above table interpretation, shows that it is a variation in cash flow margin ratio of selected textile companies to finding out the variation the following hypothesis has been established.

**Hypothesis**

- H<sub>0</sub> : There is no significance difference in cash flow margin ratio in between the year and between the selected textile companies.
- H<sub>1</sub> : There is significance different in cash flow margin ratio in between the year and between the selected textile companies.

For finding the above prescribed hypothesis result the ANOVA test has been applied which result presented as below.

**Table ANOVA Cash Flow Margin Ratio.**

ANOVA					
CASH FLOW MARGIN RATIO					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6752.266	9	750.252	1.304	.246
Within Groups	51797.128	90	575.524		
Total	58549.394	99			

The above table data stated that the F value is 1304, p value 0.246 df-9 with in group 90 so ANOVA test stated result is that, null hypothesis accepted. There is no significance difference in average cash flow margin ratio of selected textile companies during the study period.

**4. Cash Conversion Cycle of Textile Companies**

Cash conversion cycle is calculated as :

$$CCC = \text{Days inventory outstanding} + \text{days sales outstanding} - \text{Days payable out standing}$$

$$(DIO) + (DSO) - (DPO)$$

The Cash Conversion cycle is depend on business nature and policy. The cash conversion cycle calculate the time period between cash out flow and cash receipt. Cash conversion cycle is connected with financial and investing activities of business so, the cash conversion cycle describe the time duration between the company’s disbursement and collection of cash. This ratio is used to calculate how fastly company’s cash converted into inventory account receivable and account payable and then back into cash.

**Cash Conversion Cycle of Textile Companies (In Days)**

Year	Arvi nd Ltd.	Ashi ma Ltd.	Digja m Ltd.	GSM L	MIL	MT L	Nako da Ltd.	SDM L	Sinte x Ltd.	STM L	AV G
2005- 06	163.8 3	101.9 7	45.97	30.06	- 414.9 1	173. 90	54.99	7.48	18.3 9	18.39	<b>20.0 1</b>
2006-	137.3	63.31	155.8	34.60	-	148.	44.59	-	14.0	14.09	<b>16.6</b>



07	5		3		359.1 3	02		85.93	9		8
2007-08	97.97	54.63	105.1 6	42.78	- 357.4 0	140. 11	36.44	- 22.73	28.1 5	28.15	<b>15.3 3</b>
2008-09	91.51	57.28	52.84	61.45	- 403.0 3	147. 23	38.08	3.04	52.4 1	52.41	<b>15.3 2</b>
2009-10	76.12	59.69	26.44	29.80	- 282.9 8	116. 73	37.81	- 44.76	78.4 9	78.49	<b>17.5 8</b>
2010-11	83.02	63.91	137.8 3	38.23	- 186.0 1	137. 70	37.27	119.5 5	123. 08	123.0 8	<b>67.7 7</b>
2011-12	51.43	69.62	111.6 4	36.89	14.57	138. 74	85.91	247.4 8	124. 44	125.4 4	<b>100. 62</b>
2012-13	30.31	65.07	108.6 6	23.26	41.81	127. 13	146.7 7	262.1 7	132. 93	132.9 3	<b>107. 10</b>
2013-14	47.27	58.26	71.78	13.78	49.51	107. 06	119.3 3	239.0 7	115. 64	115.6 4	<b>93.7 3</b>
2014-15	50.29	52.14	49.25	13.69	40.97	125. 89	159.8 4	229.7 1	192. 32	92.32	<b>100. 64</b>
<b>AVG.</b>	<b>82.91</b>	<b>64.59</b>	<b>86.54</b>	<b>32.45</b>	- <b>185.6 6</b>	<b>136. 25</b>	<b>76.10</b>	<b>95.51</b>	<b>87.9 9</b>	<b>78.09</b>	
<b>SD</b>	<b>50.78</b>	<b>21.88</b>	<b>50.07</b>	<b>43.61</b>	- <b>108.8 2</b>	<b>13.6 7</b>	<b>64.08</b>	<b>145.1 4</b>	<b>67.2 0</b>	<b>59.91</b>	
<b>CV</b>	<b>42.10</b>	<b>14.13</b>	<b>43.33</b>	<b>14.15</b>	<b>202.0 4</b>	<b>18.6 3</b>	<b>48.77</b>	<b>138.6 2</b>	<b>59.1 3</b>	<b>46.79</b>	

Source : Annual Report of selected textile companies form 2005-06 to 2014-15

Table data explain cash conversion cycle of selected textile companies during study period form 2005-06 to 2014-15.

Arvind Ltd. cash conversion cycle (CCC) was 163.83 days in 2005-06. 83.02 days in 2010-11 and 50.29 days in 2014-15. Arvind Ltd shows decreasing trend of CCC during study period. Ashima Ltd. CCC was 101.97 days in 2005-06. 63.91 days in 2010-11 and 52.14 days in 2014-15. Ashima shows mixed trend during the study period. Digjam Ltd CCC was 45.97 days in 2005-06. 137.83 days highest days in 2010-11 and 49.25 days in 2014-15. Digjam Ltd also shows mixed trend during study period. GSML CCC was 30.06 days in 2005-06. 38.23 days in 2010-11 and 13.69 lowest days in 2014-15. GSML shows declining trend in almost years. MIL shows negative period during study. It means payable period it longer time and customer period is shorter after 2010-11 it shows positive times period. 14.57 days in 2011-12 and 40.97 days in 2014-15. MTL CCC was 173.9 days in 2005-06.1 137.7 days in 2010-11 and 125.89 days in 2014-15. All over performance shows almost decaling trend during study period. Nakoda Ltd.

shows increasing trend in almost years of study period. SDML CCC was 7.48 days lowest period in 2005-06. 119.55 days in 2001-11 and 229.71 days in 2014-15. SDML also have negative time period in 2006-07, 2007-08 and 2009-10. All over period of CCC in SDML was longer. Sintex Ltd. CCC was 18.39 days in 2005-06. 132.93 highest days in 2012-13 and 92.32 days in 2014-15. STML CCC was 54.32 days in 2005-06. 15.78 lowest days in 2009-10 and 147.90 highest days in 2014-15. STML shows mixed trend of CCC during study period.

### 5. Cash Turn Over Ratio of Textile Companies

Cash turnover ratio is calculated by sales income of company divided by average cash balance. Which is different and inverse to 'cash to sales ratio', In another word we can says that cash turnover ratio means the revenue generated by sales during the decided period is divided by the average cash and bank balance of company of same period.

Cash turnover ratio issued to identified the efficiency of cash to generating the sales income.

Higher ratio describe more time turnover of cash balance during period and lower ratio describe inefficiency of working capital of company.

**Cash Turn Over Ratio of Textile Companies (In Times)**

Year	Arvind Ltd.	Ashima Ltd.	Digjam Ltd.	GSM L	MIL	MT L	Nakoda Ltd.	SDML	Sintex Ltd.	STM L	AVG
2005-06	144.55	38.84	9.03	36.13	12.36	2.90	33.97	4.96	4.22	96.50	38.35
2006-07	91.45	34.24	5.90	63.28	16.82	4.79	34.57	3.74	2.24	41.40	29.84
2007-08	115.69	35.40	34.16	38.16	16.82	4.53	26.56	3.78	1.60	42.53	31.92
2008-09	110.23	35.86	99.11	18.59	5.32	5.49	24.85	5.02	1.47	51.27	35.72
2009-10	65.20	36.45	136.82	49.46	6.13	7.54	20.49	5.54	2.12	29.92	35.97
2010-11	87.86	91.64	64.46	131.15	2.04	7.47	10.49	4.96	2.52	45.02	44.76
2011-12	70.29	110.86	175.66	131.39	2.51	16.72	9.88	5.78	2.89	131.67	65.77
2012-13	46.57	191.50	95.90	119.01	9.40	49.16	10.96	6.52	6.49	51.39	58.69
2013-14	40.37	137.40	101.47	104.97	20.29	90.88	11.76	4.98	7.61	44.57	56.43
2014-15	87.18	67.10	68.28	73.62	119.33	42.60	11.88	3.20	18.66	138.89	63.07
<b>AVG.</b>	<b>85.94</b>	<b>77.93</b>	<b>79.08</b>	<b>76.58</b>	<b>21.10</b>	<b>23.21</b>	<b>19.54</b>	<b>4.85</b>	<b>4.98</b>	<b>67.32</b>	



SD	37.30	69.71	68.56	55.03	166.29	125.04	50.62	20.97	105.10	59.27	
CV	32.05	54.32	54.22	42.14	35.09	29.02	9.89	1.02	5.24	39.90	

Source : Annual Report of selected textile companies form 2005-06 to 2014-15

Table indicated the cash turnover ratio of selected textile companies in Gujarat. Arvind Ltd. cash turnover ratio was 144.55 times in 2005-06. 87.06 times in 2010-11 and 40.37 in 2013-14. It shows mixed trend during study years. Ashima Ltd. turnover ratio was 38.84 times in 2005-06. 191.5 times highest ratio is 2012-13 and 67.10 times in 2014-15. Digjam ltd cash turnover ratio was 9.03 times in 2005-06. 175.66 times in 2011-12 and 68.28 in 2014-15. GSML ratio was 36.13 times in 2005-06. 131.39 highest ratio in 2011-12 and 73.62 times in 2014-15. MIL had 12.36 times in 2005-06. 2.04 times lowest ratio 2011-12 and 119.33 times in 2014-15. MTL ratio was 2.90 times in 2005-06 and 90.88 times highest ratio in 2013-14. Nakoda Ltd. times in 2010-11 and 11.88 times in 2014-15. SDML ratio was 4.96 times in 205-06. 6.52 times highest ratio in 2012-13 and 3.20 times in 2014-15. It shows fluctuating trend during study sintex ltd cash turnover ratio was 4.22 times in 2005-06. 1.47 lowest ratio in 2008-09 and 18.66 highest ratio in 2008-09 and 18.66 highest ratio in 2014-15. STML had 96.50 times in 20005-06. 29.92 times lowest ratio in 2009-10 and 138.89 times highest ratio in 2014-15.

The above table stated that there is variation in average cash turnover ratio of selected textile companies so the finding out this variation by statistically the following hypothesis test has been applied.

**Hypothesis -**

H<sub>0</sub> : There is no significance difference in cash turnover ratio in between the year and between the selected textile companies.

H<sub>1</sub> : There is significance different in cash turnover ratio in between the year and between the selected textile companies.

On about the average of cash turnover ratio the ANOVA variation test has been applied and which is stated as below.

**Table ANOVA Cash Turn Over Ratio**

ANOVA					
CASH TURN OVER RATIO					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	103192.178	9	11465.798	9.185	.000
Within Groups	112343.878	90	1248.265		
Total	215536.056	99			

Data described above in table 6.10 (a) shows that ANOVA test reject null hypothesis. There is no significance difference in cash turnover ratio of selected textile companies. The F value is 9.185 P value .000 and df - 9 within group 90. so we concluded that we accept alternative hypothesis (H1). There is significance difference in average cash turnover ratio of selected textile companies.

Further group wise analysis has been applied for knowing significance difference within group the Tukey HSD post HOC test applied is presented below.

**Table Tukey HSD Cash Turn Over Ratio.**

CASH TURN OVER RATIO				
Tukey HSD <sup>a</sup>				
Company	N	Subset for alpha = 0.05		
		1	2	3
Shri DInesh Ltd.	10	4.8480		
Sintex Ltd.	10	4.9820		
Nakoda Ltd.	10	19.5410	19.5410	
MIL	10	21.1020	21.1020	
MInaxi Ltd.	10	23.2080	23.2080	
Surat Textile Ltd.	10		67.3160	67.3160
GSML	10			76.5760
Ashima	10			77.9290
Digjam	10			79.0790
Arvind	10			86.0110
Sig.		.976	.089	.973
Means for groups in homogeneous subsets are displayed.				
a. Uses Harmonic Mean Sample Size = 10.000.				

The above data classified the selected companies in three group and describe that there is no significance difference in average cash turnover ratio of group companies. The first group stated that there is no significance difference in SDML, Sintex Ltd, oda Ltd, MTL in their average cash turnover ratio. The second group similarly stated that there is no significance difference in average cash turnover ratio of Nakoda Ltd., MIL, MTL, STML and further third group stated that there is no significant difference in average cash turnover ratio of STML, GSML, Ashima Ltd, DigjamLtd, Arvind Ltd.

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## FINDING & SUGGESTIONS

- ✓ The overall performance of cash to current liability of selected companies is good to meet their short term obligation.
- ✓ Cash turnover ratio present there is no significant difference between the selected companies . all companies cash cycle is going on.
- ✓ Cash flow margin ratio measure the profitability and efficiency of selected company from that performance of MTL has not good.
- ✓ The proper balance of cash inflow and out flow do not maintain ins selected textile companies.
- ✓ The MIL and MTL has not enough fund for operating activity for study period
- ✓ The high amount of cash on hand reduce the profit of company it emerge unnecessary investment and do not make their good amount reserve.

## CONCLUSION

This paper presented that the cash management has their own importance as good indicator in cash inflow and cash out flow daily running business as a lubricant without ignoring proper management

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