

A  
PROJECT REPORT  
ON  
**“TO STUDY ON CASH FLOW STATEMENT COMPARATIVE  
ANALYSIS OF, OPERATING, INVESTING & FINANCING  
ACTIVITIES”**

FOR  
**“TVS MOTOR COMPANY LIMITED”**

SUBMITTED BY  
**Mr. SURAJ KUMAR MAGDUM**

UNDER THE GUIDANCE OF  
**Dr. GIRISH BODHANKAR**

SUBMITTED TO  
**SAVITRIBAI PHULE PUNE UNIVERSITY**  
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THROUGH  
**MAHARASHTRA EDUCATION SOCIETY’  
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**BATCH 2019-2021**

Annexure “C”

**DECLARATION**

I Suraj Kumar Magdum, of MBA-2: Seat No. MBA2019120 hereby declares that the Project work titled To Study on Cash Flow Statement Comparative Analysis of, Operating, Investing & Financing Activities, which has been submitted to University of Pune, is an original work of the undersigned and has not been reproduced from any other source. I further declare that the material obtained from other sources has been duly acknowledged in the report.

Date:

Signature

Place: Pune

Name: Suraj Kumar Magdum

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## **EXECUTIVE SUMMARY**

The concept of this project is to analyze the financial statements for the year 2017-18 to 2019-20 of TVS Motor Company Limited and to check the performance whether the company is performing well or lacking down the performance. The performance can be evaluated by doing financial analysis and interpretations of the various tools operating activities, working capital changes, investing activities and financing activities under the cash flow statement.

Cash flow statement analysis is the process of reviewing and analyzing a company's cash flow statement to make better economic decisions and help to find out the financial position of the company. The final financial statement is the statement of cash flow. It is sometimes referred to as the sources and uses statement, as it shows the sources of cash the company and then how it was used over the period of time. The statements of cash flow reports the movement of cash into and out of your business in a given year. Cash is the lifeblood of your company. Cash flow statement is one important tool of cash management because it throws light on cash inflows and outflows of a particular period.

TVS motor company is India's multinational two-wheeler company. This company is the third largest motorcycle company in India. TVS motor company falls under the automobile industry. The Automobile Sector of today is one of the key sectors of the country contributing majorly to the economy of India. The automobile industry is one of India's most vibrant and growing industries. The auto sector is one of the biggest job creators, both directly and indirectly.

**CHAPTER NO.1**

**INTRODUCTION**

## **1. Introduction**

Cash is the basic input needed to keep the operations of the business going on a continuing basis; it is also the final output expected to be realized by selling the product manufactured unit. Cash is the both the beginning and the end of the business operations.

In financing accounting, a cash flow statement or statement of cash flows in financial statements that shows a company's incoming and outgoing cash during a time period. All three statements are arranged to form the same accounting information, but each statement serves its individual function. The statements of cash flow reports the movement of cash into and out of your business in a given year. Cash is the lifeblood of your company. The cash flow statements report your business sources and uses of cash and the beginning and ending values for cash and cash equivalents each year. It also includes the combined total change in cash and cash equivalents from all sources and uses of cash.

Cash flow statement format planning involves forecasting and tabulating all significant cash inflows and analyzing the timing of expected payments in details. We have highly skilled cash flow financing professionals prepare comprehensive periodic cash flows projections that can assist you in tasks such as budgeting, business planning and fundraising.

Sometimes, it so happens that a business unit earns sufficient profit, but in the spite of this it is not able to pay its liabilities when they become due. Therefore, a business should always try to keep sufficient cash, neither more nor less because shortage cash will threaten the firm's liquidity and solvency, whereas excessive cash will not be fruitfully utilized, will simply remain ideal and affect the profitability of a concern. Effective cash management, therefore, implies a proper balancing between the two conflicting objectives of liquidity.

The management of cash also assumes importance because it is difficult to predict cash inflows and outflows accurately and there is no perfect coincidence between the inflows and outflows of cash giving rise to either cash outflows exceeding inflows exceeding outflows. Cash



flow statement is one important tool of cash management because it throws light on cash inflows and outflows of a particular period.

The statement of cash flows, or the cash flow statement, is a financial statement that summarizes the amount of cash and cash equivalents entering and leaving a company.

The cash flow statement (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. The cash flow statement complements the balance sheet and income statement and is a mandatory part of a company's financial reports since 1987.

The main components of the cash flow statement are:

1. Cash from operating activities
2. Cash from investing activities
3. Cash from financing activities
4. Disclosure of noncash activities is sometimes included when prepared under the generally accepted accounting principles, or GAAP

**CHAPTER NO.2**

**INDUSTRY & COMPANY PROFILE**

## **2.1 Industry Profile**

### **Automotive Industry**

#### **Introduction**

**Automotive industry**, all those companies and activities involved in the manufacture of motor vehicles, including most components, such as engines and bodies, but excluding tires, batteries, and fuel. The industry's principal products are passenger automobiles and light trucks, including pickups, vans, and sport utility vehicles. Commercial vehicles (i.e., delivery trucks and large transport trucks, often called semis), though important to the industry, are secondary. The design of modern automotive vehicles is discussed in the articles automobile, truck, bus, and motorcycle; automotive engines are described in gasoline engine and diesel engine. The development of the automobile is covered in transportation, history of: The rise of the automobile.

The history of the automobile industry, though brief compared with that of many other industries, has exceptional interest because of its effects on 20th-century history. Although the automobile originated in Europe in the late 19th century, the United States completely dominated the world industry for the first half of the 20th century through the invention of mass production techniques. In the second half of the century the situation altered sharply as western European countries and Japan became major producers and exporters.

#### **History**

Although steam-powered road vehicles were produced earlier, the origins of the automotive industry are rooted in the development of the gasoline engine in the 1860s and '70s, principally in France and Germany. By the beginning of the 20th century, German and French manufacturers had been joined by British, Italian, and American makers. The automotive industry began in the 1860s with hundreds of manufacturers that pioneered the horseless carriage. For many decades, the United States led the world in total automobile production. In 1929, before the Great Depression, the world had 32,028,500 automobiles in use, and the U.S.

automobile industry produced over 90% of them. At that time the U.S. had one car per 4.87 persons.<sup>[4]</sup> After 1945, the U.S. produced about 75 percent of world's auto production. In 1980, the U.S. was overtaken by Japan and then became world's leader again in 1994. In 2006, Japan narrowly passed the U.S. in production and held this rank until 2009, when China took the top spot with 13.8 million units. With 19.3 million units manufactured in 2012, China almost doubled the U.S. production, with 10.3 million units, while Japan was in third place with 9.9 million units.<sup>[5]</sup> From 1970 (140 models) over 1998 (260 models) to 2012 (684 models), the number of automobile models in the U.S. has grown exponentially.<sup>1</sup>

## **Safety**

Safety is a state that implies to be protected from any risk, danger, damage or cause of injury. In the automotive industry, safety means that users, operators or manufacturers do not face any risk or danger coming from the motor vehicle or its spare parts. Safety for the automobiles themselves implies that there is no risk of damage.

Safety in the automotive industry is particularly important and therefore highly regulated. Automobiles and other motor vehicles have to comply with a certain number of norms and regulations, whether local or international, in order to be accepted on the market. The standard ISO 26262, is considered as one of the best practice framework for achieving automotive functional safety

In case of safety issues, danger, product defect or faulty procedure during the manufacturing of the motor vehicle, the maker can request to return either a batch or the entire production run. This procedure is called product recall. Product recalls happen in every industry and can be production-related or stem from the raw material.

Product and operation tests and inspections at different stages of the value chain are made to avoid these product recalls by ensuring end-user security and safety and compliance with the automotive industry requirements. However, the automotive industry is still particularly concerned about product recalls, which cause considerable financial consequences.

## **Developments before World War I**

Most early automobile companies were small shops, hundreds of which each produced a few handmade cars, and nearly all of which abandoned the business soon after going into it. The handful that survived into the era of large-scale production had certain characteristics in common. First, they fell into one of three well-defined categories: they were makers of bicycles, such as Opel in Germany and Morris in Great Britain; builders of horse-drawn vehicles, such as Durant and Studebaker in the United States; or, most frequently, machinery manufacturers. The kinds of machinery included stationary gas engines (Daimler of Germany, Lanchester of Britain, Olds of the United States), marine engines (Vauxhall of Britain), machine tools (Leland of the United States), sheep-shearing machinery (Wolseley of Britain), washing machines (Peerless of the United States), sewing machines (White of the United States), and woodworking and milling machinery (Panhard and Levassor of France). One American company, Pierce, made bird cages, and another, Buick, made plumbing fixtures, including the first enameled cast-iron bathtub. Two notable exceptions to the general pattern were Rolls-Royce in Britain and Ford in the United States, both of which were founded as carmakers by partners who combined engineering talent and business skill.

In the United States almost all of the producers were assemblers who put together components and parts that were manufactured by separate firms. The assembly technique also lent itself to an advantageous method of financing. It was possible to begin building motor vehicles with a minimal investment of capital by buying parts on credit and selling the finished cars for cash; the cash sale from manufacturer to dealer has been integral in the marketing of motor vehicles in the United States ever since. European automotive firms of this period tended to be more self-sufficient.

As often happens with a new technology the automotive industry experienced patent controversies in its early years. Most notable were two long, drawn-out court cases in Britain and the United States, in each of which a promoter sought to gain control of the new industry by filing comprehensive patents. In Britain the claim was rejected by the courts in 1901, five years after the patent application. In the United States there was a legal battle between Ford and the Association of Licensed Automobile Manufacturers over the Selden patent, which the association claimed as a basic patent on the gasoline-powered car. In 1911 the courts held the patent “valid but not infringed” by Ford. The main consequence of the decision was the

formation of the predecessor of the Alliance of Automobile Manufacturers to supervise an agreement for cross-licensing patents, which was ratified in 1915.

### **The automotive industry in World War II**

During World War I the productive capacity of the automotive industry first demonstrated its military value. Motor vehicles were used extensively for transport and supply. In addition, automotive plants could readily be converted into facilities for manufacturing military equipment, including tanks and aircraft. For all of the belligerents the conversion of automotive facilities was an afterthought, improvised after the beginning of hostilities, and the American industry, involved only for a short time, never fully utilized its capacity.

More preparation was made for using the resources of the various automotive industries as World War II approached. The British government built “shadow factories” adjacent to their automotive plants, equipped to go into military production (principally aircraft) when war came, with managerial and technical personnel drawn from the automotive industry. France attempted conversion, but belatedly and inefficiently. The German automotive industry, which built the military vehicles needed for blitzkrieg, was not fully converted to military production until 1943. In the United States the preparation for industrial mobilization was negligible until 1940; in fact, there was no serious effort even to restrict civilian automobile production until after the attack on Pearl Harbor in December 1941. Still, the American automotive industry represented such a concentration of productive capacity and skill that, once its resources had been harnessed to war production, its contribution was tremendous. Between 1940 and 1945 automotive firms made almost \$29 billion worth of military materials, a fifth of the country’s entire output. The list included 2,600,000 military trucks and 660,000 jeeps, but production extended well beyond motor vehicles. Automotive firms provided one-half of the machine guns and carbines made in the United States during the war, 60 percent of the tanks, all the armored cars, and 85 percent of the military helmets and aerial bombs.

## **The Modern Industry**

The modern automotive industry is huge. In the United States it is the largest single manufacturing enterprise in terms of total value of products, value added by manufacture, and number of wage earners employed. One of every six American businesses is dependent on the manufacture, distribution, servicing, or use of motor vehicles; sales and receipts of automotive firms represent more than one-fifth of the country's wholesale business and more than one-fourth of its retail trade. For other countries these proportions are somewhat smaller, but Japan, South Korea, and the countries of Western Europe have been rapidly approaching the level in the United States

## **International operations**

Although the automotive industry has long been multinational in its organization and operation, beginning in the 1980s and accelerating in the late 1990s, it has established a trend toward international consolidation. Larger, more financially secure firms buy controlling interest in financially troubled ones, usually because the weaker firm manufactures a highly prized product, has access to markets that the larger company does not, or both. For example, Chrysler, as discussed above, acquired AMC in 1987 for access to AMC's Jeep vehicles and in 1998 was itself merged with Daimler-Benz, which sought Chrysler's expertise in high-volume manufacturing and design techniques. Recognizing its need to penetrate closed markets in Japan and South Korea, DaimlerChrysler in 2000 took a controlling 34 percent interest in Mitsubishi Motors Corporation and signed a cooperative venture in trucks with Hyundai Motor Company. General Motors bought a 50 percent interest in Sweden's Saab in 1989 and acquired the remainder 10 years later; in 2000 it took a 20 percent stake in Japan's Fuji Heavy Industries to have access to the all-wheel-drive technology used in Fuji's Subaru vehicles. In 1999 Ford bought the passenger car operations of Sweden's AB Volvo, and in 2000 it bought Britain's Land Rover operations from BMW.

The most promising markets for motor vehicles have traditionally been developed countries with the purchasing power to create a demand for automobiles; these have included North American and European countries as well as Australia, New Zealand, South Africa, and Japan. Since 1950 there has been a significant shift in market prospects, however, as developing countries have

shown greater growth in vehicle registrations than the highly developed countries. Consequently, there has been an intensification of both assembly and distribution in parts of the world not previously important in the automotive industry.

The great bulk of this production is assembly, done in plants affiliated with and usually operated by American, European, Japanese, or South Korean automotive firms. In order to stimulate their own automotive industries, most developing countries have tariff policies that make imported cars prohibitively expensive and, in addition, have requirements that a substantial portion of the components used in local assembly plants be of domestic origin. A certain percentage of local ownership, public or private, is also a normal requirement. The rest of the financing and most of the initial managerial and technical skill come from the parent company.

In the 1990s China attracted the attention of the world's major automotive companies. Somewhat relaxed governmental controls on private ownership and the consequent rise of entrepreneurial enterprises provided a burgeoning market in China for automobile ownership by individuals. This potential, plus local-component requirements, led to the establishment by automakers and component manufacturers of complete manufacturing facilities in China rather than limited local assembly operations.

### **Economic and social significance**

The automotive industry has become a vital element in the economy of the industrialized countries—motor vehicle production and sales are one of the major indexes of the state of the economy in those countries. For such countries as the United Kingdom, Japan, France, Italy, Sweden, Germany, and South Korea, motor vehicle exports are essential to the maintenance of healthy international trade balances.

The effect of motor vehicle manufacturing on other industries is very great. Almost one-fifth of American steel production and nearly three-fifths of its rubber output go to the automotive industry, which is also the largest single consumer of machine tools. Moreover, the special requirements of automotive mass production have had a profound influence on the design and development of highly specialized machine tools and have stimulated technological advances in petroleum refining, steelmaking, paint and plate-glass manufacturing, and other industrial processes.



The indirect effects are also considerable through the many auto-related businesses, such as motor freight operators and highway construction firms. In addition, truck transportation has grown steadily throughout the world.

## **2.2 Company Profile**

### **About TVS Motor Company**

TVS motor company is India's multinational two-wheeler company with its headquarter in Chennai, India. It is the fourth largest motorcycle producer in India after hero moto corp, Honda two-wheelers, and Bajaj motors. TVS stands for Thirukkurungudi Vengaram Sundaram.

The company produces different kinds of vehicles and its spare parts like 2 wheelers, 3 wheelers, etc. India is not considered to be an easy market and patience always gives you something good.

This Company is the perfect inspiration for this quote. This is the company whose struggle started about 100 years back and now it is in the sky, flying with open arms.

### **Foundation:**

The Company was established by T.V. Sundaram Iyengar. He started with the bus service in Delhi. It was the year 1911 when he founded Sundaram Iyengar and Sons Limited. That company was the first bus service provider in Delhi. With a large number of busses, they ruled the bus service at that time. After the death of Mr. Sundaram, his sons took over the company.

### **History of TVS Motor Company:**

In 1962, Sundaram Clayton came into existence. This company was invented by the collaboration of Sundaram Company and Clayton Dewandre Holdings of the United Kingdom. This collaboration started making products of motors bike brakes, compressors, and other

automotive products. For a little time, the company was engaged in the same work for about a decade, they were manufacturing automotive products.

In the year 1978, they set up a plant to manufacture models. It was set up at Hosur Tamil Nadu. In the year 1980, they launched India's first two-seater model named TVS 50. In 1982, the Sundaram Clayton Ltd collaborated with the Suzuki Motor Corporation who was a Japanese auto giant of that time and even now as well.

Finally, after this collaboration, they started producing motorcycles in the year 1984. At the time they worked together, they brought a wide variety of auto motives in the market.

Most of the products were launched under the name of Suzuki to have a better position in the market. Suzuki Supra, Suzuki Samurai, Suzuki Shogun, and Suzuki Shaolin were some of the models that were launched by the joint venture of TVS Suzuki.

These two giants Suzuki Ltd and Sundaram Clayton Ltd shared their venture for about 19 years and in the year 2001; the collaboration came to an end. In the time they worked together, the companies worked on designs and production of the automobiles which were suitable and better for the Indian market.

The end of the collaboration of these two giants was a great impact on the automobile market of the country. It turned out to be a wild attack on the market as this end of the collaboration resulted in the departure of the Suzuki Ltd from the Indian market for about 30 months.

As per the agreement, Suzuki could not enter the Indian market for the next 30 months in any form if it is a collaboration or a self-producing company. After this end to the collaboration, this company got its present title TVS Motors. This title also turned out to be a good sign for the company.

After that, all the models launched by the company ruled the market for a long time. The company brought its hands in all kinds of automobiles including mileage specific bikes, sports bikes, scooters, and three-wheelers as well.

## **Achievements - TVS Motor Company**

1982 - The company was incorporated as Indian Motorcycle Pvt. Ltd. on 15th July. Its name was changed to Indo Suzuki Motorcycles Pvt. Ltd. and it was converted into a public limited company on 12th January, 1984.

It was promoted by Mr. N. Krishnan in collaboration with Suzuki Motor Co. Ltd. Japan; Sundaram-Clayton, Ltd., a member of the Company to The extent of Rs. 70 lakhs.

- The company entered into a technical know-how and assistance agreement with Suzuki Motor Co. Ltd., of Japan on 22nd September. As per the terms of the Collaboration, Suzuki agreed to furnish complete technical information and know-how, trade secrets and other data.

- All shares taken up by promoters etc.

1984 - The company received a letter of intent for the manufacture of 20,000 spark ignition operated outboard motors and 30,000 internal Combustion spark ignition engines up to 500cc per annum.

- 59, 40,000 shares issued at par in 1984. 7,00,000 shares allotted to Sundaram Clayton, Ltd. Chennai, 70,000 shares allotted to Anusha Investments (P) Ltd. Chennai, 20,00,000 shares allotted to Suzuki

Motor Co., Ltd., Japan; 2, 20,000 shares allotted to employees and business associates and 29, 70,000 shares offered to the public.

1985- A new company Lakshmi Auto Components Pvt Ltd. was incorporated for the manufacture of critical engines and transmission parts.

1986 - The company acquired the assets of the moped division from Sundaram Clayton Ltd. The cost of acquisition was met partly by rights issue of equity shares. The company subscribed to 39, 20,000 equity shares of Rs.10 each of Lakshmi Auto Components Pvt Ltd, whereupon it became a subsidiary of the company. The name of the company was changed from Indo Suzuki Motorcycles Ltd. to TVS Suzuki Ltd with effect from 18th August. 154, 00, 000 Rights Equity shares issued at par in prop. 2:1.

1988 - The company obtained a letter of intent for expanding the capacity To 4, 00,000 Nos. two wheelers.

1989 - The working was adversely affected due to labour unrest which resulted in a lock-out from 28th February 1990. The lock out was lifted in the second week of June 1990.

1990 - The company launched a 34cc miniped to take advantage of the Motor Vehicle Act that exempts such vehicles from the payment of road tax. The Company worked for only 10 months due to lock-out.

1991 - The technical aid agreement entered into with Suzuki Motor Co., Japan which expired in August 1991 was extended for three more years with the approval of the Government of India.

1992 - The Company launched two new models of motorcycles viz. 'Sumurai' and 'Shogun'.

1993 - The Company launched a new model of moped viz. 'TVS Scooty'.

1995 - The Company was studying the feasibility of opening a second plant at a different location to meet the growth in demand for two wheelers in the near future. It also proposed to introduce upgraded version of mopeds. In addition, during the year, the Company undertook to develop new models of motorcycles.

1996- The company is taking steps to meet the increase in demand for its products and improve the market share. A statement relating to the subsidiary, M/s Lakshmi Auto Components Limited, Chennai, and a copy of its annual accounts for the year Ended 31st March, 1996 are attached to the Balance Sheet pursuant to Section 212 of the Companies Act, 1956. As per the requirements of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in annexure I to this report.

- 1997 TVS-Suzuki plans to set up an auto ancillary estate through joint venture with some of its existing components suppliers. The proposed project is to come up at a new 57 - acre site near TVS-Suzuki's existing plant at Hosur. Leading two-wheeler manufacturer in the country, TVS Suzuki, will soon set up a new 2.5 lakh capacity scooter plant in Mysore. TVS-Suzuki (TSL) - a joint venture between the TVS group and Suzuki Motor Corporation, Japan - was the first company to launch a 100-cc motorcycle in the Indian market. Credit Analysis & Research Ltd (Care) has assigned the credit rating of CARE AA+ (double A plus) to the proposed non-

convertible debenture issue of Rs.100Crore by TVS-Suzuki Ltd (TSL). TVS Suzuki is a joint venture between Saundaram Clayton Ltd. of the TVS group and Suzuki Motor Corporation, Japan. The company proposes to introduce a kick start facility. TVS Suzuki Ltd (TSL), the second largest two-wheeler manufacturer in the country, will be restructuring its entire vendor-base in the next five years with the objective of creating robust vendors to meet its future expansion plans. TVS Suzuki Limited is officially launching its new moped model, the XL Super. The Rs. 100 crores non-convertible debentures of TVS-Suzuki Limited rating of AA + (high safety with higher standing) has been retained by CARE.

1998 - TVS Suzuki Ltd, one of the leading two-wheeler manufacturers in the country, has crossed the Rs.1, 000 crore turnover mark in 1997-98. TVS will be the first company in the country to introduce the 4 stroke scooter in the Indian market. TVS' new-generation state-of-the-art four-stroke scooter Spectra, of which we gave you an exclusive preview, last month, was launched in spectacular fashion at the TVS Millennium Show on October 1 in New Delhi. TVS Suzuki Ltd on October 1 launched its new generation 4-stroke scooter 'TVS Spectra' in Delhi.

1999 - TVS Suzuki is all set to launch a scaled-down version of Spectra, the recently launched four-stroke scooter. The company is set to launch Spectra on a nation-wide basis in April. Suzuki has indicated to the TVS group that if it did not agree to the Japanese company's acquiring a majority stake, it should allow Suzuki to set up a 100 per cent subsidiary.

2000 - The Company, pioneers of Indo-Japanese motorcycles in the country has launched its latest offering, Suzuki Fiero, in the Kerala market. The Tamil Nadu based TVS-Suzuki has launched the 150 CC four-stroke powerhouse Suzuki Fiero in Tamil Nadu, close on the heels of its launch in Rajasthan, Karnataka and Kerala. Two-Wheeler major, TVS-Suzuki Limited is set to create a special cell to tap the institutional segment. The Company proposes to relaunch its four-stroke scooter, Spectra, in July. Two-wheeler major TVS Suzuki is all set to cross the magic one million mark during the current fiscal with 12 new models lined up over the next 18 months. Motorcycle giant, TVS Suzuki, has forged an alliance with Brand Dotcom to leverage the latter's online expertise brand building on the Net. TVS-Suzuki Ltd on August 30th formally launched its indigenously developed 4-stroke motorcycle, TVS Victor, here. The price has been fixed at Rs 41,187, (ex-showroom, Chennai). The TVS group and Suzuki Motor Corporation

September 27 parted Ways from their 15-year-old joint venture with the former buying out the 25.97 per cent stake of the Japanese company for Rs.9crore.

2002 - TVS Motor Company Ltd has informed that the Board declared an interim dividend of Rs.9.00 per share on 2, 31, 00, 070 equity shares of Rs. 10/- each fully paid up, aggregating to Rs 231.00 million.

2003 -TVS Motor Company has recorded a market share of 35% from motor cycle's division. K.S.Bajpai has been appointed as an Additional Director on the Board. TVS, Bajaj Auto and Yamaha have grabbed the market share from the country's largest motorcycle maker Hero Honda. The TVS victor sales have crossed 4 lakh unit mark in less than 18 months of its launch.TVS Motor has recorded a 31% growth in its sales. C V R Panikar has been appointed as Additional Director on the Board of TVS Motor Company Ltd. TVS Motor Company has reintroduced Fiero, in order to compete with Bajaj Pulsar. TVS Motor Company Ltd has introduced its own racing bikes which Team. TVS will test on the tracks in Asian Circuit.

-TVS Motor launches 4 new mobiles including a new brand 100-cc mobike called the Centra. TVS Motor Chairman and MD Venu Srinivasan have been selected in Business Week's Stars of Asia which covers the top 25 achievers in the continent. TVS Motor Company adds two new models in the two-wheeler segment. TVS Motor ties up with State Bank of India for scooter and Motorcycle financing. Launches Fiero F2 and Scoot Pep models Board of approves the merger of engine components division of its subsidiary, Lakshmi Auto Components (LAC) with TVS Motors effective from April 2, 2003

2004 -TVS Motor, on Jan 5 launched Centra, a 100 cc four-stroke motorcycle, with variable timing intelligent (VTI) engines, claiming to give more mileage to consumers. The Centra has bundled price, style, power along with fuel efficiency making it a fill-once-a-month bike, and it's priced at Rs.36, 990. Nearly Rs100 crore investments had gone into the launch of 'Centra', including R&D, plant and machinery. TVS Motor Company Unveil TVS Centra with ' VT-i Engines', a 100 CC 4 stroke motorcycles. TVS Motor Company launched its new bike - TVS Centra - here on February 9, 2004, for the first time in the State. It is a 100-cc four-stroke motorcycle targeted at the popular segment and a Fill-it-once-a-month bike, competitively priced at Rs.36, 990. The vehicle has been launched in January in the metros and other cities and so far

8,000 vehicles have been sold in the country. TVS Motor Company and Union Bank of India (UBI) have announced the launch of 'Union Miles Scheme,' an exclusive two-wheeler finance scheme. TVS Motor Company (TVS) launches new 125cc, 4-stroke Victor GLX motorcycle in Chennai on May 02, 2004 TVS Vice President resigns, TVS Motors forges alliance with Andhra Bank, Canara Bank, TVS Motor rolls out TVS Can mobile, TVS picks up Asian Network for Quality award, TVS unveils new version of 'Victor GX'.

2005 -TVS Motor Company introduced its entry-level 4-stroke motorcycle - TVS Star - in the Kerala market. TVS rolls out Star bike in Andhra Pradesh, TVS Motor Company launches TVS Centra VT-i, a variant of its four-stroke 100cc model TVS Centro on May 6. TVS Motor rolls out two motorcycle variants named Victor EDGE, Star City and Scooty Pep plus

2006 - TVS Motor appoints new President TVS launches Apache in Vizag. TVS Motor Company launched a new version of 125 cc Victor GLX with an electric start option

2007 -TVS Motor Co has rolled out seven new vehicles, including its first three-wheeler and a new 125 cc bike, aimed at gaining lost share in a highly competitive market.

2009 - TVS Motor Company launched Scooty Streak, which is its latest scooterette targeted at girls of 16 to 20 age group. TVS Motor Company Limited has appointed Mr. Prince Asirvatham as an additional and independent director of the board of directors of the company effective April 21, 2009. TVS Motor Company entered the 110 cc segment by unveiling 2 brand new products, an auto-clutch motorcycle and an automatic scooter.

2010 - TVS Motor Company has launched India's first auto-clutch motorcycle- TVS Jive, in Chandigarh. TVS Motor Company has given the Bonus in the Ratio of 1:1

2011 - TVS Motor Company joins hands with Syndicate Bank for three-wheelers. TVS Motor Company has developed an engine that is 20 percent more fuel efficient and is usable both in scooters and motorcycles.

2012 - TVS motor company signed a MOU with Central Bank of India to provide attractive financing options for its three wheeler TVS king across all 4,000 branches operating in India. TVS Motor Company appoints Sudarshan Venu as Vice President TVS Motor Company Ltd is a winner of the CII ITC Sustainability Awards 2012

2013 - TVS Motor Company wins Silicon India Mentor Graphics Best VLSI / Embedded Design - Automotive Award TVS Motor Company and BMW Motored Sign Cooperation Agreement – India TVS Motor Company to set up assembly line in Uganda

2014 - TVS Motor Company launches TVS TRU4 Synthetic 10W 30 Engine Oil - India TVS Motor Company launches StaR HLX 125 Motorcycle in Tanzania. TVS Motor Company launches Stylish TVS StaR City+. Asian Network for Quality Award 2014

2015 - TVS Motor Co. Ltd. - TVS Motor Company & Kangra Central Co-operative Bank in Himachal Pradesh sign MOU. TVS Motor Co. Ltd. has launched the 2015 edition of TVS Phoenix 125 for the drum version and for the disc brake version. TVS Motor Company Ltd has introduced a special edition of its legendary TVS XL Super in celebration of crossing the milestone of 1 crore mark in sales. TVS Motor Company Ltd signs MOU with TN Government for investment of 350Crore. TVS Motor Company Ltd has launched its motorcycle TVS Sport with improved mileage and additional features

2016 - TVS Motor launches TVS Apache RTR 200 in Indonesia. TVS MOTOR launches All New TVS Victor and TVS Apache RTR 200 in India. TVS Motor Company launches Powerful Four Stroke TVS XL 100 in Tamil Nadu. TVS Motor Company launches Powerful Four Stroke TVS XL 100 in Kerala. TVS Motor Company launches an innovative service app for its customers. TVS Motor Company launches Powerful Four Stroke TVS XL 100 in Andhra Pradesh and Telangana. TVS Motor Company launches Powerful Four Stroke TVS XL 100 in Madhya Pradesh. TVS Motor Company two-wheelers now available online on Snap deal. TVS launches TVS XL 100 in Karnataka. TVS launches Scooty Zest 110 Himalayan Highs special edition. TVS Motor Company launches Jupiter Million Special Edition

2017 - TVS Motor Company clocks sales of 207,059 units in January 2017. Launch of BS IV compliant TVS Jupiter with 2 new Colours. Company launches TVS Victor 'Premium Edition', an 110cc motorcycle. TVS Motor Company bags top honours in the J.D. Power 2017 Study. TVS Motor Company Partners with Abans Auto for Three-Wheeler Exports to Sri Lanka. TVS Apache RR 310 signals Company's entry into the super-premium motorcycle segment. Company introduces new stylish TVS StaR City+, an 110cc motorcycle. Company announces



successful completion of Himalayan Highs Season 3. TVS Motor Company introduces 2 new, exciting colours for TVS WEGO

## **Vision and Mission Statement**

### **Vision –**

TVS Motor will provide total customer satisfaction by giving the customer the right product, at the right price, at the right time.

### **Mission –**

We are committed to being a highly profitable, socially responsible, and leading manufacturer of high value for money, environmentally friendly, lifetime personal transportation products under the TVS brand, for customers predominantly in Asian markets and to provide fulfillment and prosperity for employees, dealers.

**CHAPTER NO.3**

**LITERATURE REVIEW**

## **Literature Review**

**Jeffrey Hales and Steven Orpurt, (2013)<sup>7</sup>, “A Review of Academic Research on the Reporting of Cash Flows From Operations.”**

**Abstract:** "According to them they analyzed that though many financial statement users have given more importance to the direct method, some of the financial statement users have given importance to the indirect method of cash flow statement. They found that the direct method information is economically significant and that the recurring benefits that many firms derive from providing direct method information likely exceed recurring cost

**Ajay Paliwal, Mukesh Ahirrao and Rana, (2015)<sup>6</sup> “Cash Flow Statement: Comparative Analysis of Financing, Operating and Investing Activities.”**

**Abstract:** "According to him, the term cash flow statement is an important tool to analyze the financial performance of a firm and the cash flow changes can be identified only by comparing the financial position of a firm for two years. The study found net changes in net cash in cash and its distribution in three business activities and also found the strength and weakness in cash flow statements.

**Tim Koller, Marc Goedhart, David Wessels. 2005, “To examine Valuation: Measuring and Managing the Value of Companies.”**

**Abstract:** “According to him in his study he studies about Cash management is a broad term that refers to the collection, concentration, and disbursement of cash. It encompasses a company's level of liquidity, its management of cash balance, and its short-term investment strategies. In some ways, managing cash flow is the most important job of business managers.

**Aghdas Jafari Motlagh, (2013)4, “Accounting Cash Flow Statement.”**

**Abstract:** "According to him in his study he studies how a statement of cash flow is prepared and how it is differentiated from funds flow statement. The study used the secondary data collected from various websites, journals, etc. They found that a funds flow statement is not useful in short term financial planning like a cash flow statement because the cash is more important for executing the plan in the short run as compared to working capital.

**Financial Report Standard (FRS) (Revised 1996) 47, “Cash Flow Statement”**

**Abstract:** "Represented requires reporting entities within its scope to prepare a cash flow statement in the manner set out in the FRS. Cash flows are increases or decreases in amounts of cash, and cash is cash in hand and deposits repayable on demand at any qualifying institution less overdrafts from any qualifying institution repayable on demand. In the past, companies had to show a fund flow statement that continues resources and uses of funds. These funds can categorize into three types such as, 1) cash 2) working capital and 3) all resources. Fund shows on fund statements are reported as working capital that evaluated as current asset minus current liabilities, while funds presented on cash flow statements refer to cash

**CHAPTER NO.4**

**RESEARCH METHODOLOGY**

#### **4.1 Research Methodology**

This Research paper implements the descriptive method of study. This paper contains statements of TVS Motor Company for some years and the analysis of the statement of operating activity, investing activity and financing activity is done with the help of some cash flow, ratios, tables and charts.

#### **4.2 Source of Data**

Information primarily gathered from both essential and auxiliary sources. This study is mainly based on the source of secondary data. This secondary data for this study is collected from the published sources i.e. annual reports, websites.

#### **4.3 Objectives**

1. To understand the concept of Cash Flow Statement.
2. To focus on various activities of the organization in terms of Operating, Investment, Financing.
3. Identify the changes in the elements focus and uses of working capital in the between above mentioned years.

#### **4.4 Scope of the study**

The present study is confined to only TVS Motors Company Limited. The study is limited to cash flow analysis and it has been analyzed by taking the information related to both the present and past data into consideration with reference to the performance of the company. The study conducted with the help of annual reports other additional information was collected from the company's website and other websites.

#### **4.5 Tools for Data Collection**

The data so collected from various annual reports and financial statements for years has been classified and tabulated for better understanding and gives a complete picture.

The tabulated data has been analyzed through various ratios and graphs which are used.

#### **4.6 Limitation of Study**

1. The study is based mainly on secondary information.
2. Primary Data is not possible to collect because of the COVID-19 Pandemic Situation.
3. The result does not reflect day to day transactions.
4. The present study cannot be used for inter firm comparison.
5. The data used in reports are taken from the annual reports, published at the end of the years.
6. Limited span of time is a major limitation for this project.

#### **4.7 Theoretical Framework**

##### **Introduction - Cash Flow Statement**

A cash flow statement is one of the most important financial statements for a project or business. A type of financial analysis that compares the timing and amount of cash inflows with the timing and amount of cash outflows. A firm's cash flow position can greatly affect its ability to remain in business. These effects may not be apparent from a cost-benefit analysis. The statement can be as simple as a one page analysis or may involve several schedules that feed information into a central statement.

The cash flow statement traces the various sources which bring in cash, such as operations, sale of current and fixed assets, issuance of share capital and long term borrowings etc. and the applications which cause outflow of cash, such as, purchase of current and fixed assets, redemption of debentures, preference shares for cash and so on. This statement is designed for account for the change in cash

Cash flow statement provides information about the cash receipts and payments of a firm for a given period. It provides important information that compliments the profit and loss account and balance sheet. The information about the cash flows is useful in providing users or financial statements with a basis to assess the ability of the enterprise to generate cash and cash equivalents and the needs of the enterprise to utilize these cash flows. The economic decisions that are taken by users require an evaluation of the ability of an enterprise to generate cash equivalents and the timing and certainty of their generation. The statement deals with the provision of information about the historical changes in cash equivalents of an enterprise by means of a cash flow statement, which classifies cash flows during the period from operating investing and financing activities.

Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Examples of cash equivalents are treasury bills, commercial paper etc. The (total) net cash flow of a company over a period (typically a quarter, half year, or a full year) is equal to the change in cash balance over this period: 228 positive if the cash balance increases (more cash becomes available), negative if the cash balance decreases.

### **Objectives of Cash Flow Statement**

1. **To determine a project's rate of return or value:** The time of cash flows into and out of projects are used as inputs in financial models such as internal rate of return and net present value.
2. **To determine problems with a business's liquidity:** Being profitable does not necessarily mean being liquid. A company can fail because of a shortage of cash even while profitable.
3. **Act as an alternative measure of a business's profits:** As an alternative measure of a business's profits when it is believed that accrual accounting concepts do not represent economic realities. For instance, a company may be notionally profitable but generating little operational cash (as may be the case for a company that barter its products rather than selling for cash). In such a 229 case, the company may be deriving additional operating cash by issuing shares or raising additional debt finance.



4. **To evaluate the quality of income generated by accrual accounting:** Cash flow can be used to evaluate the 'quality' of income generated by accrual accounting. When net income is composed of large non-cash items it is considered low quality.
5. **To evaluate the risks within a financial product** e.g., matching cash requirements, evaluating default risk, re-investment requirements, etc.

### **Cash Flow is not Profitability**

People often mistakenly believe that a cash flow statement will show the profitability of a business or project. Although closely related, cash flow and profitability are different. A cash flow statement lists cash inflows and cash outflows while the income statement lists income and expenses. A cash flow statement shows liquidity while an income statement shows profitability

### **Information required for the preparation of a cash flow statement**

**Comparative Balance Sheets:** Balance Sheets at the beginning and at the end of the accounting period indicate the amount of changes that have taken place in assets, liabilities and capital.

**Profit and Loss Account:** The profit and loss account of the current period enables to determine the amount of cash provided by or used in operations during the accounting period after making adjustments for non-cash, current assets and current liabilities.

**Additional Data:** In addition to the above statements, additional data are collected to determine how cash has been provided or used e.g. sale or purchase of assets for cash.

### **Preparation of Cash Flow Statement**

Cash Flows Statement can be prepared using International Accounting Standard 7. In India it can be prepared using the Accounting Standard 3. The cash flows during the period are classified into 3 major categories, they are:-

- Cash Flow from Operating Activities
- Cash Flow from Investing Activities
- Cash Flow from Financing Activities

## **Cash flows from operating activities**

There are 2 methods of preparing the Cash Flows from Operating Activities:-

1. Direct Method
2. Indirect Method

Operating activities are the principal revenue-producing activities of the enterprise and other activities that are not investing and financing activities. It includes cash earnings plus changes to working capital. Operating activities include cash effects of those transactions and events that enter into the determination of net profit or loss. Operating Activities refers to cash transactions which involve revenue receipts and expenses that affect net income.

While preparing the Cash Flow Statement as per Direct Method, Actual Cash Receipts from Operating Revenues and Actual Cash Payments for Operating Activities are arranged and presented in the Cash Flow Statement. The difference between Cash Receipts and Cash Payments is the Net Cash Flow from Operating Activities under the Direct Method. In other words, it is an Income Statement (Profit & Loss A/c) prepared on Cash Basis under the Direct Method.

While preparing the Cash Flow Statement as per Direct Method, items like Depreciation, Amortization of Intangible Assets, Preliminary Expenses, Debenture Discount etc. are ignored from Cash Flow Statement since the Direct Method includes only Cash Transactions and Non-Cash Transactions are omitted. Likewise, no adjustment is made for Loss/Gain on the Sale of Fixed Assets and Investments while preparing the Cash Flow Statement as per the Direct Method.

### **Items of cash inflow**

- Cash receipts from the sale of goods and the rendering of services
- Cash receipts from royalties, fees, commissions, and other revenue

### **Items of cash outflow**

- Cash payment to suppliers for goods and services
- Cash payments to and on behalf of employees

Cash payments or refunds of income-taxes unless they can be specifically identified with financing and investing activities

Cash receipts and payments relating to future contracts, forward contracts, option contracts, and swap contracts when the contracts are held for dealing or trading purposes etc.

While preparing the Cash Flow Statement the Net Profit/Loss for the period is taken as the base and then adjustments are made for items that affected the Income Statement but did not affect the Cash.

While preparing the Cash Flow Statement Non Cash and Non-Operating charges from the Income Statement are added back to the Net Profits while Non-Cash & Non-Operating Credits are deducted to calculate the Operating Profit before charging working capital. Further, necessary adjustments are made for Increase/Decrease in current assets and current liabilities to obtain Net Cash Flows from Operating Activities.

### **Cash Flows from Investing**

Activities investing activities are the activities related to acquisition and disposal of long term assets and other Investments which does not include cash equivalents. In other words, investing activities include transactions and events that involve the purchase and sale of long-term productive assets (e.g., land, building, plant and machinery, etc.) not held for resale and other investments. As the cash flows represent the extent to which expenditures have been made for intended to generate future income and cash flows, Separate disclosure of cash flows arising from Investing Activities is important

### **Items of cash inflows from investing activities:**

- Cash receipts from disposal of fixed assets (including intangibles).

- Cash receipts from disposal of shares, warrants, or debt instruments of other enterprises and interests in joint ventures (other than payments for those instruments considered to be cash equivalents and those held for dealing or trading purposes)
- Cash receipts from disposal of shares, warrants, or debt instruments of other enterprises and interests in joint ventures (other than receipts from those instruments considered to be cash equivalents and those held for dealing or trading purposes)
- Cash receipts from the repayment of advances and loans made to third parties (other than advances and loans of a financial enterprise)
- Cash receipts and payments relating to future contracts, forward contracts, option contracts, and swap contracts except when the contracts are held for dealing or trading purposes or the receipts are classified as financing activities.

**Items of cash outflows from investing activities:**

- Cash payments to acquire fixed assets
- These payments include those relating to capitalized research and development costs and self-constructed fixed assets
- Cash payments to acquire shares, warrants, or debt instruments of other enterprises and interests in joint ventures (other than payments for those instruments considered to be cash equivalents and those held for dealing or trading purposes)
- Cash advances and loans made to third parties (other than advances and loans made by a financial enterprise)

**Cash Flows from Financing Activities**

The activities which result in a change in the size and composition of owner's capital and borrowing of the organization are known as Financing Activities. The separate disclosure of cash flows arising from financing activities is important because it is useful in predicting the claims on future cash flows by the providers of funds.

**Items of cash inflows from financing activities:**

- Cash proceeds from issuing shares or other similar instruments

- Cash proceeds from issuing debentures, loans notes, bonds and other short-term borrowing.

#### **Items of cash inflows from financing activities:**

- Cash repayments of amounts borrowed
- Payment of dividend

#### **Utility of Cash Flow Statement**

The importance of cash flow statements lies in the fact that it explains the changes in cash and gives insight to the company's operating, investing and financial activities. Also, a cash flow statement will unveil the company's ability to generate cash to meet its short-term obligations, thereby assessing if the company's liquidity and solvency position is sound.

Cash flow notion is based loosely on cash flow statement accounting standards. It's flexible as it can refer to time intervals spanning over past-future. It can refer to the total of all flows involved or a subset of those flows. Subset terms include net cash flow, operating cash flow and free cash flow.

#### **Advantages of cash flow statement**

1. . Disclose the inward and outward movement: The primary function carried out by a cash flow statement is to disclose the inward and outward movement i.e. inflow and outflow of cash. It indicates all possible changes in cash position of a firm in quantitative terms accompanied by the reasons to support such changes. Hence, a cash management company can exercise full control over cash movement with the help of cash flow statements.
2. It plays a vital role in short-term financial planning: It helps in forecasting cash requirements, determining the quantity of required cash in advance, the amount that can be generated from internal sources and the volume expected to be acquired from outside sources. Thus, the future course of action related to cash can be planned in the light of cash flow statements.
3. Help to management in formulating policies related to internal financial management: Aids Internal Financial Management Cash flow statement is of great help to management in formulating policies related to internal financial management. Since, any information

pertaining to the availability of cash from operations can be obtained by means of cash flow statement. Thus, a management can make 241 important decisions involving dividend policy, replacement of assets, repayment of long-term loans etc.

4. **Reveals Success or Failure of Cash Planning:** It reveals the extent of success or failure of cash planning. As a management may hold comparison of cash flow of current year with projected cash budget of that period, variations, if any with relevant cause may be detected and necessary remedial actions can be initiated.
5. **Adds Efficiency to Cash Management:** Cash is the very foundation of all business operations. Therefore, a projected cash flow statement provides sufficient guidelines to the management for planning and coordinating financial operations properly, effectively and efficiently.
6. **Helps to determine the likely flow of cash:** Projected cash flow statements help the management to determine the likely inflow or outflow of cash from operations and the amount of cash required to be raised from other sources to meet the future needs of the business.
7. **Supplemental to funds flow statement:** Cash flow analysis supplements the analysis provided by funds flow statement, as cash is a part of the working capital.
8. **Better tool of analysis for payment of liabilities,** which are likely to be matured in the near future, cash is more important than the working capital. As such, a cash flow statement is certainly a better tool of analysis than a funds flow statement for short-term analysis.

### **Limitation of Cash Flow Statement**

Cash flow statement is an important analytical tool. Yet, it is advised to employ this technique with care and precautions for the purpose of analysis due to the limitations attached to it. These limitations are as follows–

1. Cash flow statements do not measure the economic efficiency of one company in relation to another. Usually a company with heavy capital 242 investments will have more cash inflow. Therefore, inter-industry comparison of cash flow statements may be misleading.

2. Misleading comparison over a period of time - Just because the company's cash flow has increased in the current year, a company may not be better off than the previous year. Thus, the comparison over a period can be misleading.
3. Misleading inter-firm comparison- The terms of purchases and sales will differ from firm to firm; Moreover, cash inflow does not always mean profit. Therefore, inter-firm comparison of cash flows may also be misleading.
4. Influenced by changes in management policies- The cash balance as disclosed by the cash flow statement may represent the real liquidity position of the business. The cash can be easily influenced by purchases and sales policies, by making certain advance payments or by postponing certain payments.
5. Cannot be equated with income statements- Cash flow statement cannot be equated with the income Statement. An income statement takes into account both cash as well as non-cash items. Hence net: cash flow does not necessarily mean net income of the business.
6. Not a replacement of other statements- Cash flow statement is only a supplement of funds flow statement and cannot replace the income statement or the funds flow statement as each one has its own function or purpose of preparation.

**CHAPTER NO.5**

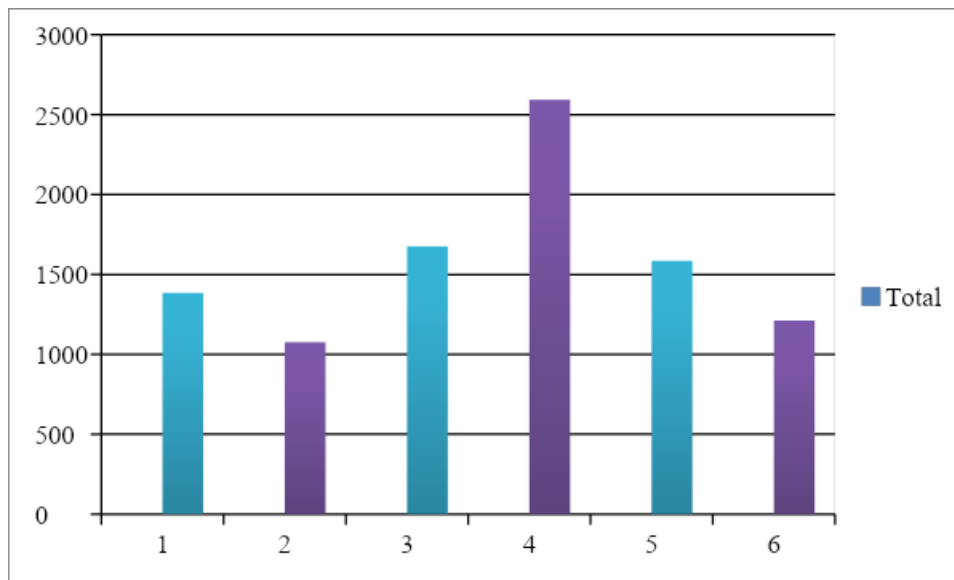
**DATA ANALYSIS AND INTERPRETATIONS**



## 5.1 Analysis of Operating Activities

Table no. 1 Analysis of Operating Activities

Particulars	Rupees in Crores					
	2017-18		2018-19		2019-20	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
Net profit Before Tax	930.24		1081.15		865.42	
Add : Depreciation and Amortisation for the year	373.6		441.71		556	
(Gain) on lease preclosure						0.31
(Profit) /Loss on sale of Fixed Asset		2.63	2.22			2.28
Net (Profit) / Loss on sale on Investment				1.01		0.03
Unrealized exchange (Gain) / Loss		4.64		4.08		29.41
Increase in Fair Value of Investment		58.71				
Net (profit)/ loss from Associate using equity method		0			8.59	
Dividend Income		0.6		0.94		1.26
Interest Income		48.29		4.36		26.64
Finance Cost	78.32	0	105.58		154.74	
Provision	2.48	0	45.53			28.21
Working Capital Changes		635.58		2267.02		881.36
Direct Tax Paid		325.53		316.72		241.82
Total	1384.64	1075.98	1676.19	2594.13	1584.75	1211.32
<b>Net Cash From Operating Activities</b>	<b>308.66</b>		<b>-917.94</b>		<b>373.43</b>	



(Figure 1: Operating Activities)

**Interpretation:**

Figure no.1 denotes comparative weight of cash generated from operating activity and total cash operating expenses. Total cash operating expenses is total operating expenses net of depreciation and amortization. Total operating expenses includes unpaid expenses. During the year 2017-18 generated is Rs.308.66Cr and the 2018-19 cash used is Rs.917.94 Cr. decrease the cash in 2018-19. In 2018-19 cash decrease the working capital changes is a major part of operating expenses. In 2019-20 cash increased by Rs.373.43Cr.

## 5.2 Analysis of Working Capital Changes

Table no. 2 Analysis of Working Capital Changes.

<b>Current Assets</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Loan given by financial enterprise	-823.12	-2,127.18	-1,177.62
Trade Receivables	-348.46	-482.54	130.37
Inventories	105.71	-235.42	103.1
Other Current Assets	-187.01	49.31	-29.12
Other Financial Assets	-12.84	-17.31	-11.81
<b>Total</b>	<b>-1265.72</b>	<b>-2,813.14</b>	<b>-985.08</b>
<b>Current Liabilities</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Trade Payables	577.86	508.89	22.46
Other financial liabilities	-12.14	18.69	-42
other current liabilities	-12.31	-4.2	-0.94
Other non-current assets	76.73	22.74	124.2
<b>Total</b>	<b>630.14</b>	<b>546.12</b>	<b>103.72</b>
<b>Particular</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Working Capital	-635.58	-2,267.02	-881.36

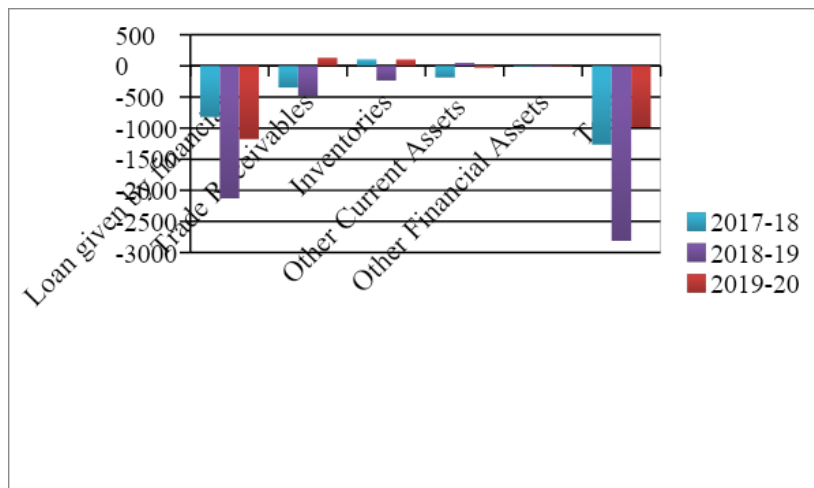


Figure2: Change in Current Assets

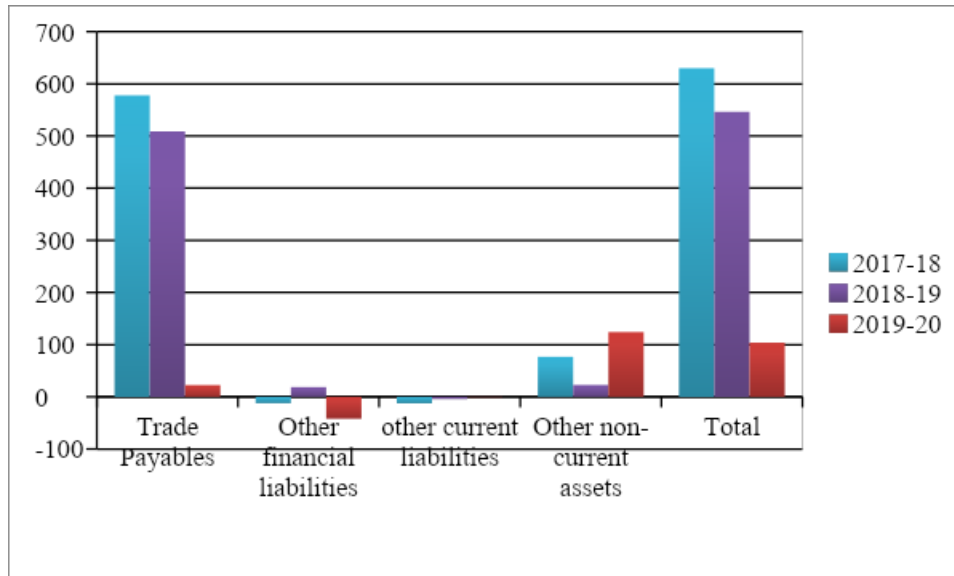


Figure 3: Change in Current Liabilities

**Interpretation:**

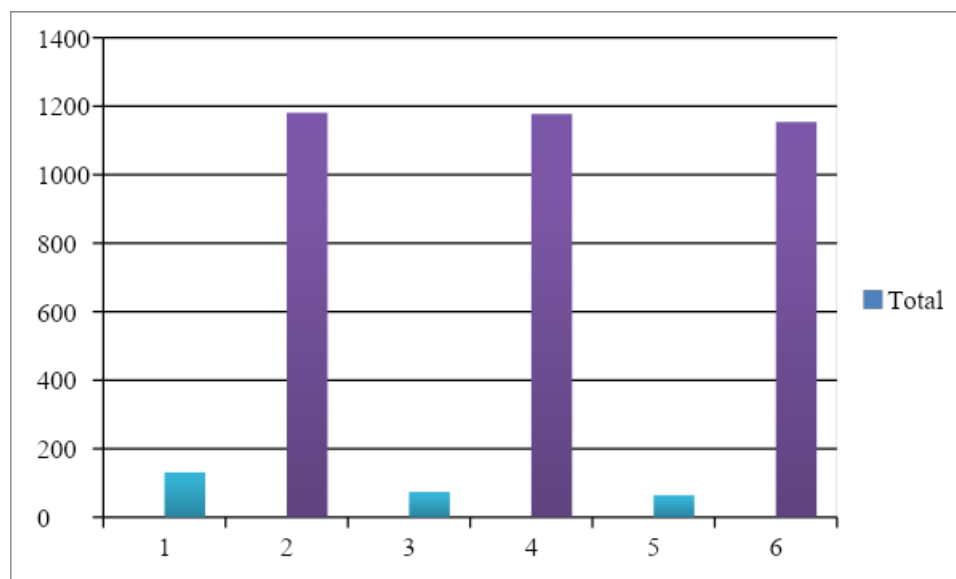
Table no.2 denotes working capital is decreased in 2018-19 as compared to 2017-18 and 2019-20. Figure 2 reflects that loans given by financial enterprises, Trade receivables and inventories are a major part of current assets and have decreased all respective years. And Figure 3 denotes that only Trade payable increased year by increased other current liabilities and current assets insufficient position of cash.

### **5.3 Analysis of Investing Activities**

Table no. 3 Analysis of Investing Activities

Particulars	Rupees in Crores					
	2017-18		2018-19		2019-20	
	Inflow	Outflow	Inflow	Outflow	Inflow	Outflow
Purchase of property, plant and equipment		788.59		685.92		572.55
Purchase of intangible assets		31.28		34.72		179.93
Sale of Fixed Assets	24.5		9.76		30.21	
Payments for capital work-in-progress		204.36		323.53		243.22
Payments for intangible assets under development		39.39		95.34		18.28
Payments for capital Advances		42.44	20.79			7.11
Purchase of Investment		40.67		31.77		94.01
Purchase of Investment in Associate		31.22		6		38.97
Sale of Investment			1.98		5.81	
Contribution from non-controlling Interest	23.38		35.12			
Consideration paid on acquisition of subsidiary	0	1.62				
Cash and cash equivalents pursuant to acquisition	34.19					
Interest Received	48.29		4.36		26.64	
(Purchase) / Sale of investment property		0.81	0.7			
Dividend Received	0.6		0.94		1.26	
<b>Total</b>	<b>130.96</b>	<b>1180.38</b>	<b>73.65</b>	<b>1,177.28</b>	<b>63.92</b>	<b>1154.07</b>

<b>Net cash from / (used in) investing activities</b>	<b>-1049.42</b>	<b>-1,103.63</b>	<b>-1090.15</b>		



(Figure no.4 Investing Activities)

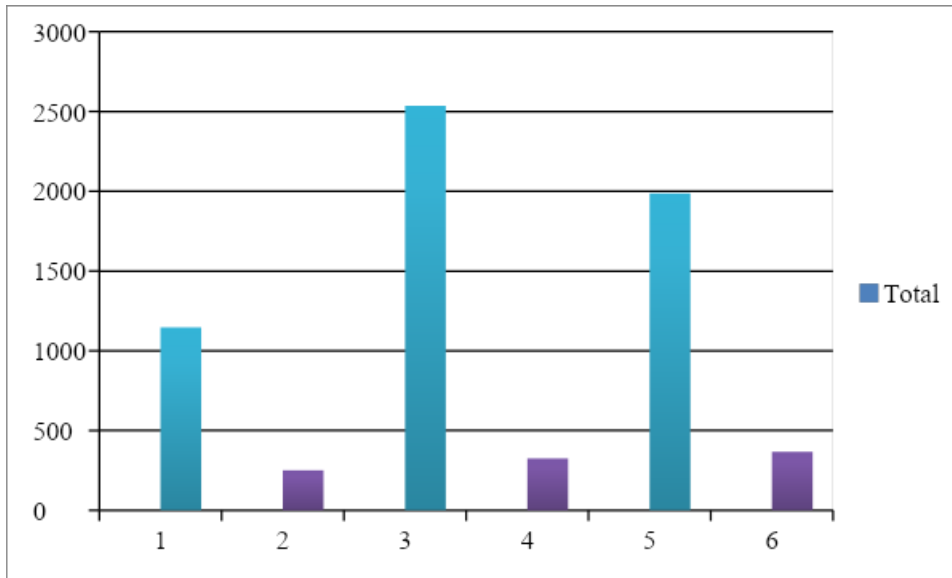
**Interpretation:**

Figure no.5 denotes the comparative weight of cash inflow and cash outflow from investing activities. During three years of 2017-18, 2018-19, 2019-20 no huge changes in cash inflow. Cash outflow associated with purchase of fixed assets, purchase of intangible assets and payments of capital work in progress these major parts purchased huge amounts of money for every year. The more money is invested in respective years.

## **5.4 Analysis of Financing Activities**

Table no. 4 Analysis of Financing Activities

<b>Particular</b>	<b>Rupees in Crores</b>					
	<b>2017-18</b>		<b>2018-19</b>		<b>2019-20</b>	
	<b>Inflow</b>	<b>Outflow</b>	<b>Inflow</b>	<b>Outflow</b>	<b>Inflow</b>	<b>Outflow</b>
Borrowings :						
Non-current borrowings availed / (repaid)	447.04		2,318.34		1458.99	
Current borrowings availed / (repaid)	693.99		188.98		512.69	
Other Bank Balance	6.43		27.56		15.39	
Lease liabilities paid						43.11
Finance Cost Paid		62.23		124.65		124.33
Dividend and Dividend Tax Paid		188.69		200.46		200.46
Total	1147.46	250.92	2534.88	325.11	1987.07	367.9
<b>Net cash from / (used in) financing activities</b>	<b>896.54</b>		<b>2209.77</b>		<b>1619.17</b>	



(Figure no.5 Financing Activity)

**Interpretation:**

Figure 5 denotes the comparative weight of cash inflow and cash outflow from financing activities. Both inflow and outflow are attributed to borrowings and repayment of borrowings. In 2017-18 borrowings avail as well as cash outflow is primarily associated. In 2018-19 cash inflow is more than cash outflow. In 2019-20 cash is decreased compared to 2018-19.



## 5.5 Analysis of Cash Flow from all 3 Activities

Table no. 5 Cash Flow from 3 Activities

Particulars	Rupees in Crores		
	2017-18	2018-19	2019-20
Net Cash Flow From Operating Activity	308.66	-917.94	373.43
Net Cash Used in Investing Activity	-1,049.42	-1,103.63	-1,090.20
Net Cash Used in Financing Activity	896.54	2,209.77	1,619.17
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>155.78</b>	<b>188.9</b>	<b>902..45</b>

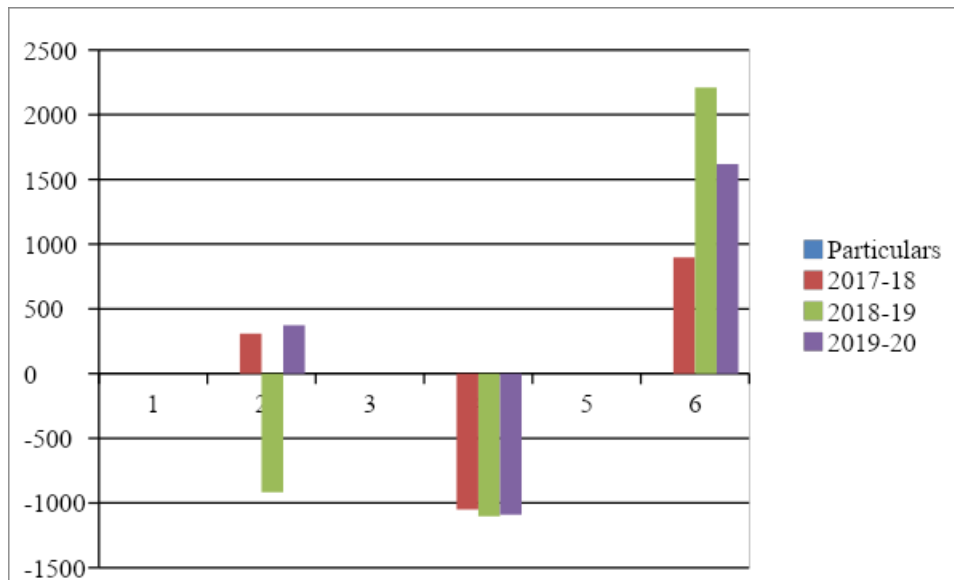


Figure 6: Cash flow from 3 Activities.

**Interpretation-**

Figure 6 denotes the comparative weight of cash flows all 3 activities i.e. operating activity, investing activity, financing activity. The cash and cash equivalents in the year 2018 are not good positions. The cash is Rs155.78crores. In later year 2019 good improvements are increased to Rs.188.90 crores. Next year's massive increase in the cash position cash is Rs.902.45 crores.

**CHAPTER NO.6**

**FINDINGS**

## **Findings:**

1. The net cash from operating activity was Rs.308.66 crores in year 2017-18 and the company was in a good position during the year. In the year 2018-19 it totally decreased to -917.94 crores. It has decreased by 297% as compared to previous year. Major part of the decline is working capital changes and direct tax paid. The next year there should be a huge increase in operating activities increased to Rs.373.43.
2. In the working capital changes decreased year by year. In 2017-18 it was Rs-635.58Cr. In the next year it continuously decreased. In the year 2018-19 it Rs.-2,267.02. In the year 2019-20 small increase compared to previous year
3. The net cash used from investing activities has declined year by year. In the year 2018 the net cash investing activity is Rs.-1049.42 crores and it has just decreased to Rs.-1, 103.63 crores in 2019. In the year 2020 it is again decreased to Rs.-1,090.15 crores. The investing activity is decreased year by year because companies purchase property, plant, equipment and payments of work in progress.
4. The net cash from financing activities was Rs.896.54 crores in the year 2018 and the company was not in a good position during the year. In the year 2019 massive increase to Rs.2, 209.77 it increased by 1521% as compared to previous year. In the year 2020 small decrease in cash is Rs.1, 619.17. Most of cash flow is associated with borrowings and its repayments with interest cost that is excessive in nature.
5. The net cash and cash equivalent were increased and decreased in the last 3 years. In the year 2018 it is Rs.155.78 crores and it has increased to Rs.188.20 cores and it has increased by 120% against previous year position. In the year 2020 gradually increased to Rs.902.45 crores it is increased by 480% compared to previous year. This shows that the company was good in the last years and there was improvement in those 3 years.

**CHAPTER NO.7**

**CONCLUSION**

## **Conclusion:**

A cash flow statement gives us a good view of the liquidity of a company. It tells us how much cash actually went into and out of the company during a set period of time.

The cash flow statement shows the details of change in (increase/decrease) of the cash and cash equivalents in operating activities, investing activities, financing activities as well as net changes of the cash and cash equivalents in the special treatments.

It also contains the net change in cash during the year. When the opening cash and cash equivalents are added to this net change the sum to be obtained is the closing balance of the cash and cash equivalents.

The cash flow statements give the clear idea about the usage of the working capital. The cash flow statement is considered as a standard financial statement, the financial performance of the company can be identified.

Some companies and managers aren't able to manage the cash and cash equivalents and they will not be able to invest their share in the expertise firm to get the profit. Therefore, the cash flow statement will be very useful to such companies and its managers.

## **CHAPTER NO.8**

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**CHAPTER NO.9**

**ANNEXURE**



## CASH FLOW STATEMENT

Table no. 6 analysis of Cash Flow Statement

Cash Flow Statement	Rupees in Crores						
		31/03/2018	31/03/2018	31/03/2019	31/03/2019	31/03/2020	31/03/2020
<b>A. Cash Flow From Operating Activity</b>							
Net profit Before Tax			930.24		1,081.15		865.42
Add : Depreciation and Amortization for the year		373.6		441.71		556	
(Gain) on lease preclosure						-0.31	
(Profit) /Loss ib sale of Fixed Asset		-2.63		2.22		-2.28	
Net (Profit) / Loss on sale on Investment		0		-1.01		-0.03	
Unrealized exchange (Gain)		-4.64		-4.08		-29.41	

/ Loss							
Net (profit)/ loss from Associate using equity method		0		0		8.59	
Increase in Fair Value of Investment		-58.71		0		0	
Dividend Income		-0.6		-0.94		-1.26	
Interest Income		-48.29		-4.36		-26.64	
Finance Cost [ Excluding relatable to financial enterprise		78.32		105.58		154.74	
Provision		2.48		45.53		-28.21	
			339.53		584.65		631.19
Operating Profit Before Working Capital Changes			1269.77		1,665.80		1,496.61
Adjustment for :							
Loans given by a financial enterprise (Net)		-823.12		-2,127.18		-1,177.62	
Trade Receivables		-348.46		-482.54		130.37	
Inventories		105.71		-235.42		103.1	
other Current Assets		-187.01		49.31		-29.12	

Other Financial Assets		-12.84		-17.31		-11.81	
Trade Payables		577.86		508.89		22.46	
Other Financial Liabilities							
(Excluding current maturity of non-current borrowings)		-12.14		18.69		-42	
Other Current Liabilities		-12.31		-4.2		-0.94	
Other non-current assets		76.73		22.74		124.2	
			-635.58		-		-881.36
					2,267.02		
Cash Generated From Operations			634.19		-601.22		615.25
Direct Tax Paid			-325.53		-316.72		-241.82
Net Cash From Operating Activities	(A)		308.66		-917.94		373.43
<b>B. Cash Flow From Investing Activities</b>							
Purchase of property, plant and equipment		-788.59		-685.92		-572.55	

Purchase of intangible assets		-31.28		-34.72		-179.93	
Sale of Fixed Assets		24.5		9.76		30.21	
Payments for capital work-in-progress		-204.36		-323.53		-243.22	
Payments for intangible assets under development		-39.39		-95.34		-18.28	
Payments for capital Advances		-42.44		20.79		-7.11	
Purchase of Investment		-40.67		-31.77		-94.01	
Purchase of investment in Associate		-31.22		-6		-38.97	
Sale of Investment		0		1.98		5.81	
Contribution from non-controlling Interest		23.38		35.12		0	
Consideration paid on acquisition of subsidiary		-1.62		0		0	
Cash and cash equivalents		34.19		0		0	

pursuant to acquisition							
Interest Received		48.29		4.36		26.64	
(Purchase) / Sale of investment property		-0.81		0.7		0	
Dividend Received		0.6		0.94		1.26	
			-1049.42		-		-1090.15
					1,103.63		
Net cash from / (used in) investing activities	(B)		-1049.42		-		-1090.15
					1,103.63		
<b>C. Cash From Financing Activities</b>							
Borrowings :							
Non-current borrowings availed / (repaid)		447.04		2,318.34		1,458.99	
Current borrowings availed / (repaid)		693.99		188.98		512.69	

Other Bank Balance		6.43		27.56		15.39	
Finance Cost Paid		-62.23		-124.65		-124.33	
Lease liabilities paid						-43.11	
Dividend and Dividend Tax Paid		-188.69		-200.46		-200.46	
			896.54		2,209.77		1,619.17
Net cash from / (used in) financing activities	( C )		896.54		2,209.77		1,619.17
Total	A+B+C		155.78		188.20		902.45
Cash and cash equivalents at the beginning of the year			-205.09		-49.31		138.89
Cash and cash equivalents at the end of the year			-49.31		138.89		1,041.34
<b>D. Net increase / (decrease) in cash</b>			<b>155.78</b>		<b>188.2</b>		<b>902.45</b>

## **BALANCE SHEET**

Table no. 7 Analysis of Balance sheet

<b>BALANCE SHEET OF TVS MOTOR COMPANY (in Rs. Cr.)</b>	<b>31-03-2018</b>	<b>31-03-2019</b>	<b>31-03-2020</b>
<b>EQUITIES AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Equity Share Capital	47.51	47.51	47.51
<b>TOTAL SHARE CAPITAL</b>	<b>47.51</b>	<b>47.51</b>	<b>47.51</b>
Reserves and Surplus	2,629.69	3,122.66	3,234.59
<b>TOTAL RESERVES AND SURPLUS</b>	<b>2,629.69</b>	<b>3,122.66</b>	<b>3,234.59</b>
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>2,677.20</b>	<b>3,170.17</b>	<b>3,282.10</b>
Minority Interest	181.08	245.77	320.94
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	2,360.93	4,909.16	5,221.23
Deferred Tax Liabilities [Net]	54.71	96.96	87.12
Other Long Term Liabilities	0	0	204.12
Long Term Provisions	86.53	89.64	122.22
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2,502.17</b>	<b>5,095.76</b>	<b>5,634.69</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	3,192.46	3,253.81	3,780.70
Trade Payables	2,682.87	3,159.68	3,186.84
Other Current Liabilities	1,912.55	1,706.24	2,974.97
Short Term Provisions	65.2	65.06	99.77
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,853.08</b>	<b>8,184.79</b>	<b>10,042.28</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>13,213.53</b>	<b>16,696.49</b>	<b>19,280.01</b>

<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Tangible Assets	2,846.99	3,116.51	3,439.38
Intangible Assets	58.55	61.98	183
Capital Work-In-Progress	273.87	603.92	847.14
<b>FIXED ASSETS</b>	<b>3,218.80</b>	<b>3,923.00</b>	<b>4,628.39</b>
Non-Current Investments	421.02	439.73	370.91
Deferred Tax Assets [Net]	0	0	0
Long Term Loans And Advances	2,826.25	3,624.80	4,148.49
Other Non-Current Assets	186.26	188.98	197.07
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,840.64</b>	<b>8,364.82</b>	<b>9,533.17</b>
<b>CURRENT ASSETS</b>			
Current Investments	0	0	0
Inventories	1,056.15	1,291.57	1,188.47
Trade Receivables	1,070.88	1,546.07	1,454.36
Cash And Cash Equivalents	172.93	206.31	1,107.57
Short Term Loans And Advances	3,305.45	4,599.83	5,306.84
Other Current Assets	767.48	687.89	689.6
<b>TOTAL CURRENT ASSETS</b>	<b>6,372.89</b>	<b>8,331.67</b>	<b>9,746.84</b>
<b>TOTAL ASSETS</b>	<b>13,213.53</b>	<b>16,696.49</b>	<b>19,280.01</b>
<b>OTHER ADDITIONAL INFORMATION</b>			
<b>CONTINGENT LIABILITIES, COMMITMENTS</b>			
Contingent Liabilities	493.83	621.43	423.74
<b>BONUS DETAILS</b>			
Bonus Equity Share Capital	23.75	23.75	23.75
<b>NON-CURRENT INVESTMENTS</b>			



Non-Current Investments Quoted Market Value	82.51	72.27	33.23
Non-Current Investments Unquoted Book Value	211.53	367.46	177.47
<b>CURRENT INVESTMENTS</b>			
Current Investments Quoted Market Value	0	0	0
Current Investments Unquoted Book Value	0	0	0