FUND FLOW ANALYSIS:
A CASE STUDY OF REGENCY CERAMICS LIMITED IN INDIA

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ABSTRACT
This research report entitled to, “A study on fund flow analysis of regency ceramics limited in India”. The main objective of the study is to analyze the financial position of the firm and to identify the reasons for change in the profitability and financial position of the firm. It is the process of identifying the financial strength and weakness of the firm through properly establishing relationship between the items of balance sheet and profit and loss account. The research also offers viable suggestions for improvement in relevant aspects based on the results.

The details regarding the history and finance details of the firm were collected through discussion with the agents and officers of Regency ceramics limited at main office in Andhra Pradesh state, Hyderabad. Secondary data are based on the annual report of 2008-2013.

The different tools used for the study are working capital statement, fund flow statement, and current ratio analysis. Charts and tables are used for better understanding. Through current ratio analysis the firm could understand easily the liquidity position of current assets and its Adequacy to meet short term obligations. The largest source of fund to Regency ceramics limited is secured loans and the largest application of fund is purchase of fixed assets. The study recommends the firm to use unsecured loans, share capital and differed tax in equal proportion with secured loans as sources of funds. In addition, the study put viable recommendations to reduce application of funds on fixed assets and to increase on purchase of investments.

KEYWORDS: Application of funds, Current ratio, Fund flow statement, working capital, sources of funds.