Introduction
CHAPTER - I

INTRODUCTION

Road transport deserves a high priority in a developing economy like India because it forms the backbone of both the passenger and the freight movements. Transport service is viewed almost throughout the world as a matter of substantial public concern and it is required to be regulated and controlled by the government.

Transport is a service which helps goods and persons to be carried from one place to another. "The transport industries which undertake nothing more than the mere movement of persons and things from one place to another, have constituted one of the most important activities of men in every stage of advanced civilisation."¹

Modern transport services have annihilated distance and united the whole world into one thread through their fast, safe and efficient services. The movement of goods and persons augments wealth and welfare of the society. "The introduction of transport system in an area opens up new vistas

of economic activity, gives a kick to dormant potentials, inspires hope and life among the people in that area."

The importance of transport is increasing everyday with the new developments in the various aspects of Transport such as ways, means, motive power, engineering technology, organisation, legal enactments and social, economic and political factors.

In brief, the transportation potential is obvious in matters of (I) development of markets for agricultural products and their processing and distribution, (ii) migration of people from rural to urban centres and the provision of employment for them, (iii) carriage of raw-material to manufacturing centres and distribution of manufactured goods nation wide and (iv) last but not the least important, urban transport.

The Committee of Transport policy and co-ordination appointed by the Planning Commission of the Government of India, observes, “the significance of the transport sector lies in the unifying and integrating influence it exerts upon the economy, enhancing productivity, widening the market, introducing the new stimuli to economic activities and bringing villages and towns and the remoter and the more developed regions close to one another.”

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1 Jain, J.K., *Transport Economics*, p.2
"There has been a marked shift from rail to road transport over the years. The model mix of transport has been continuously shifting against the railways with the result that bulk of the freight (Over 60%) and passenger traffic (Over 80%) is carried by road."¹

Road transport is obviously the best, catering to the needs of all people and all areas. The following extracts highlight the growing significance of road transport. "In 1996, the total of all motor vehicles in India was 335.50 lakhs and the goods vehicle population was 17.85 lakhs. Simultaneously, the quantum of freight handled by the road transport industry has shown impressive growth. From a modest figure of 12.09 billion ton kilometers in 1951, goods traffic by roads has shot-upto 720.00 billion ton kilometers in 1996."²

"The aggregate length of road which was 4 lakhs kilometers in 1951 had increased to 24.04 lakhs in 1996."³

"In 1996 the total passenger bus vehicles were 4.49 lakhs and it is projected that the likely number would be 6.14 lakhs in 2000 and 9.58 lakhs in 2005."⁴

³ Ibid., p.264.
“The quantum of passengers transported by passenger transport was 44.80 billion passenger kilometer in 1951 and has increased to 2515.00 billion passenger kilometers in 1996.” “This is expected to rise to nearly 4009 billion passenger kilometers by the year 2005 A.D.”

“The Planning Commission had developed a model which had shown that transport needs in India grew at 1.2 times the GDP growth rate.”

“Road transport requires to be controlled and regulated by the Government because of the reason that the provision of transportation services is viewed almost throughout the world as a matter of substantial public concern.”

Passenger transportation system operates in three forms viz., (1) personalised transport (2) intermittent transport and (3) public transport. The first is costly. The second is also partly personalised. The third is the most popular mode, operated by both state and private sector.

**DEVELOPMENT OF BUS-TRANSPORT IN INDIA**

The development of motor transport in India till the First World War was very slow. “The first motor vehicles made appearance in 1896 on Indian roads.”

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2. Ibid., p.666.
“The (Indian) Motor Vehicles Act, 1914 was the first all-India enactment dealing with control over operation of motor vehicles.”¹ During and after the First World War, motor transport developed at a fast speed. “In the late 1920s, the problem of unhealthy competition became more acute and the shrinkage of traffic accentuated by the worldwide depression had brought to the fore the need for the regulation of the industry, both internally and in relation to the railways.”²

The Motor Vehicles Act, 1939 for first time laid the basis for proper control and co-ordination of road transport services. “This legislation which is in force today (with a number of amendments incorporated from time to time), provided for the creation of regional and state transport authorities with full powers to grant permit for stage carriages, public carriers and private carriers. It also laid down conditions pertaining to routes, timings, specifications of vehicles, standards of vehicles etc.”³

“The Mithchell-Kirkhess Committee in 1932 identified the then existing evils of unlimited competition and recommended for ‘Controlled Monopolies’ in the public service motor transport system.”⁴ “In 1945, a Sub-Committee on transport recommended the formation of large companies for

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better transport services. Several State Government started taking over passenger and transport services.\(^1\) "The first public sector transport undertaking came into being in the old Hyderabad State in 1932. Trivancore State followed in 1938. The Kutch State Road Transport Corporation was formed in 1942. The Madras State Transport Department was born in 1947."\(^2\)

**PUBLIC SECTOR PARTICIPATION**

Nationalisation of passenger road transport in Madras started just before independence. In 1947, the then Congress government decided to nationalise bus transport. The then Chief Minister of Madras provincial government Prakasam took the initiative and started the Government transport corporation with six buses on 23.03.1947. The number of buses in the transport corporation rose to 30 within three months and each bus had a seating capacity of 29.49. People called these buses 'glass bus'.

After the independence, Tamil Nadu, like other States in India, followed the policy of progressive nationalisation of passenger road transport business. Under the transport department, a separate wing was set up to deal with the matters related to nationalisation. A separate State Transport Department was setup by the government. In 1956 the services, already nationalised in the Kanyakumari district, came under the control of the department. The nationalisation of passenger road transport received a shot in the arm in the year 1967-68 when the government decided to take over all

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\(^2\) Ibid., p.35.
routes of 120 kms and above and all routes connecting to Madras City irrespective of length; and also all routes connecting to the Kanyakumari district.

This resulted in taking over all the vehicles and other assets of the fleet operators with more than 50 vehicles under the Tamil Nadu Fleet and State Carriage (Acquisition) Act, 1971. Under the provisions of the Act, the private transport system of Southern Roadways Private Limited, Madurai; Annamalais Bus Transport Private Limited, Pollachi; Raman and Raman Private Limited, Kumbakonam; Sri Rama Vilas Bus Service, Kumbakonam and Sakthi Vilas Bus Service Limited, Porayar were acquired by the Government of Tamilnadu and were transferred to the Transport Corporations. The Government of Tamil Nadu at this stage took a strategic decision to entrust the nationalised transport organizations, each with a Jurisdiction over two districts and normally with less than 500 buses under each State Transport Undertaking.

"Unlike the other States, the nationalisation of passenger road transport services in Tamil Nadu was not prompted by the inefficiency of private operators. The fact that the political party in power had no obligation towards the influential private transport operators who were not politically or ideologically aligned with them, helped the state government to undertake
speedy nationalisation of the passenger road transport services in Tamil Nadu."\(^1\)

**ORGANISATION OF PASSENGER ROAD TRANSPORT**

"The passenger road transport activity in India has been organised in four forms, viz., Public Corporations, Departmental undertakings, Municipal undertakings and Government Companies."\(^2\)

A departmental organisation would depend entirely on budgetary support and suffers due to bureaucratic procedures. "State Governments had to decide either to have a corporation incorporated under the State Board Transport Act of 1950 or Companies"\(^3\) incorporated under the Companies Act of 1956. All the STUs in Tamil Nadu have been organised in the form of government companies. One very important reason to organise in company form was to circumvent the Central Government’s interface in the growth and development. The Tamil Nadu government decided in favour of the company form in view of obtaining the best trade off between autonomy and control. The Tamil Nadu Government kept with it the powers to create new government companies, appointing the board of directors and recruitment of the managerial personnel including terms and conditions governing their employment.

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\(^2\) Ibid.

\(^3\) Ibid.
"The various STUs in many other States of the Indian Union have been formed under the Road Transport Corporation Act 1950 enacted by the Central Government. Under the provisions of the Act, one third of the capital contributions come from the Central Government which are routed through the Department of Railways. This entitles the Central Government to have the representative on the Board of Directors of the STUs and the Indian Railways to have its say in the decisions taken by these undertakings.

"A New Motor Vehicles Act, 1988 was passed which came into force from July, 1989. This Act is aimed at promoting adequate bus Transport Services through liberal issue of permits to anyone making an application anywhere, any time. Simultaneously, powers vested with the STUs, for notifying schemes of nationalisation areas and routes as well as those with the State / Regional Transport Authorities, for preferential treatment to STUs in the grant of permits have been withdrawn."¹

"The Government of Tamil Nadu formed the first company namely, the Pallavan Transport Corporation with the area of operation being the Madras Metropolitan area and the Chengalpet district. The first three new corporations established were Pandian Roadways Corporation, Cheran Transport Corporation and Cholan Transport Corporation with their Head Quarters at Madurai, Coimbatore and Kumbakonam respectively."

"The number of Road Transport Corporations in the State has increased to twenty one. Among the twenty-one Corporations, Seven Corporations were formed during the 1970’s, another eight corporations were formed during the 1980 and in 1990’s a few corporations were bifurcated. Thus government has started separate transport corporation for each district in the Tamil Nadu State. But at present all these twenty one STCs are regrouped under seven divisions."

A chart, showing the organisation of the Tamil Nadu State Transport Corporations, is given on page 11.

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Before embarking on a further in-depth study, it is considered necessary to briefly mention the background, the need, the objectives and the scope of the study.

**IMPORTANCE OF THE STUDY**

The Government of India adopted the socialistic pattern of society since Independence. Its policy was to take up many socio-economic projects in the interest of the public. Important among them is the provision of infrastructure facilities. Provision of transport facilities is the chief of the infrastructural efforts. Incidentally, the Government of India chalked out a programme and permitted state governments to launch on nationalisation of road transport services on a large scale.

Many state governments took up this task and started operating passenger road transport services. The major problem which the State Governments confronted in this effort was the management aspects of these transport undertakings as efficiently as the private operations. The private operators functioned with profit motive and neglected for obvious reasons many areas which should have been served.

The operating efficiency of transport undertakings and matters incidental thereto open up many areas for research projects like the present one. The studies of this kind will provide opportunities to discuss management concepts to tone up the performance of transport organizations. The present study is a humble effort on the functional area of cash management, which
plays a vital role in maintaining the performance efficiency of these corporations.

**STATEMENT OF THE PROBLEM**

According to Howard and Upton, cash is the life blood of business enterprise and its steady and healthy circulation throughout the entire business operation is the basis of business solvency. One of the important areas which should draw one's attention in the assessment of any concern is finance and its control system. Cash has assumed great importance in the modern business world due to important changes in the conduct of business and ever increasing difficulties and cost of borrowings. Cash Management involving mobilization of cash daily from various branches of the corporations with a centralized authority to spend is one of the vulnerable areas in transport organizations. The main problem of the research is to measure the cash management of these corporations with suitable statistical tools and techniques. So, the problem for the study is “Cash Management in the Road Transport Corporations in Tamil Nadu.”

As mentioned in the comment, a comprehensive and issue based and textual approach were made. There were specific discussions on cash planning and assessment of cash needs, significance of cash in cash rich organizations etc.

**SCOPE OF THE STUDY**

The performance of the road transport corporations has been discussed in seminars and through articles and papers published by the corporations or by other organizations and universities. The discussion centres predominantly around technical matters such as body-building, menace of spurious parts, engine failure analysis and other related general problems. The
aspects of cash management in such concerns have received no attention. This gap is sought to be filled by the present study.

The study regarding components of Cash and Bank balance, the deficit cash situation and the management of deficit cash, cash forecasting and control, measurement of cash balance are interesting areas for useful analysis. The transport operators, both corporations and private operators, are generally prevented from raising the passenger fare to neutralise every increase in cost because of the administered fare structure by the Government of Tamil Nadu. A separate study is required to examine the financial aspects in the corporations particularly their cash management system.

The Corporations being government companies, the primary factor to be noted is the contributions of the State Government to the long term needs and block assets of these corporations. However, the corporations themselves have to arrange for their cash needs through operating and non-operating revenue, borrowings from government, commercial banks and the Transport Development Finance Corporation (TDFC).

The road transport corporations in Tamil Nadu provide service on “cash and travel” basis to the public. Sometimes, the services are made available to government departments on credit. Services are also offered to the postal department for the transportation of mail bags, to the Police personnel for their movement and to the other corporations through repair and refueling service to save distance and cost. The receivables on account of these pose
little problems in collection and payment within the stipulated time. These and
other similar issues of practical value have widened the area of the present
research.

OBJECTIVES OF THE STUDY

The chief objective of the study is to examine the cash management in
road transport corporations. The related objectives considered for the study are:
1. to study the features of cash management in road transport corporations.
2. to find out the methods of cash planning followed in the corporation and
   the extent of cash needs and its fulfilment.
3. to measure the cash balance in the transport corporations.
4. to study the surplus and deficit cash situations in the corporations.
5. to study the relationship with participating financing agencies in their
cash transactions.

LITERATURE SURVEY

The literatures available on the theory and principles of cash
management have provided enough materials relevant to business and industrial
organizations. Many research studies have also been made on these lines. But
researches in the field of cash management in relation to nationalised transport
industries are few.

Sufficient efforts have been taken to review the literature relating to the
transport industry, PSUs, working capital management, including working
capital structure, adequacy and liquidity components such as cash, cash flow,
inventory, revenue realization etc. The above survey of literature focuses the
attention on core areas of cash and cash related issues besides a panoramic
coverage of road transport, ownership pattern etc. Keeping the above familiarity
and understanding the study was made.
Conceptual studies analysing the area of financial management particularly on cash management have been made by authors like Orr, Daniel\textsuperscript{1}, Pflomm, Norman E.\textsuperscript{2} Schabacker Joseph C.\textsuperscript{3} Alfred M. King\textsuperscript{4} and Frederick E. Horn.\textsuperscript{5}

R.R. Bari\textsuperscript{6} in his ‘Selected Readings in Cash Management’ presents significant contributions in the major areas of cash management. This work is intended to provide an opportunity to the readers to become familiar with the views of experts from India and abroad to be better equipped with the skilful art of cash management.

Franklin J. Plewa, Jr. and George T. Friedlob\textsuperscript{7} in their “Understanding cash flow” analysed fundamentals of cash flow, liquidity, solvency and cash flow, impact of budgeting on cash flow, how to avoid pitfalls in Granting Credit, techniques of cash management, investment of idle cash, float, bank relationship, cash flow.”


\textsuperscript{5} Frederick, E. Horn, “Managing Cash”, \textit{Journal of Accounting}, April, 1964.


Harbans Lal Verma, in “Management of Working Capital”, analysed different functions of cash management - management of cash balance, cash forecasting and budgeting, cash control, dealing with surplus or deficit cash and bank relationship.

Ram Kumar Mishra\(^1\), in his ‘Problems of Working Capital with Special Reference to Selected Public Undertakings in India’, analysed the different aspects of working capital management – inventory, receivables and cash in public sector enterprises from 1960-61 to 1967-68. He stressed that cash is both the beginning and the end of the working capital cycle – cash, inventories, receivables, cash. He has chosen major industries run by Central Government such as Fertilizer Corporation of India, Hindustan Steel Ltd., Heavy Electricals of India, National Coal Development Corporation, National Mineral Development Corporation and Instrumentation Ltd. The research study contended that efficient management of cash was an important problem of working capital and imprudent management of working capital was responsible for the losses.”

“Cash flow analysis” A Research report published by National Association of Accountants\(^2\), deals with techniques used to collect and to report financial data relevant to the management of cash assets of a business. It discusses of short period cash forecasts and cash budgets, long-range cash

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\(^1\) Ram Kumar Mishra, *Problems of Working Capital with Special Reference to Selected Public Undertakings in India*, Bombay: Somaiyya Publication (Pvt.) Ltd., New Delhi, 1975.

\(^2\) National Association of Accountants, 505, Park Avenue, New York, N.Y. Road-10022.
forecast, reports for communicating cash flow data and cash position figures to management. Material presented in this report is drawn largely from practices reported by 42 companies."

S.P. Parasher\(^1\), in his ‘Liquidity Management’ analysed process of cash flow forecasting, budgeting, monitoring and control of liquidity. Discussions were found useful in pointing out the distinction between the liquidity management and cash management. Cash management has been to maximise the availability of cash by accelerating collections and for decelerating payments, whereas liquidity management aims at avoiding the occurrence of both cash deficit and idle cash situations by tracking and controlling all internal and external elements and sub-elements relevant to the cash flow activity of a business enterprise. Cash management is only an aid to liquidity management."

Viyyanna Rao\(^2\) in his research study analysed the management of working capital with reference to A.P. Public Sector enterprises covering a period of ten years from 1969-70 to 1978-79. Among detailed discussions he has analysed the structure of finance in A.P. enterprises, the inventory management practices, the role of receivables management, management of liquidity and inflation and working capital management.

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\(^1\) Parasher, S.P., **Liquidity Management**, Vision Books, New Delhi, 1996.

CIRT Seminar report\(^1\) on performance evaluation of STUs highlighted the need for setting the parameters of evaluation such as fleet utilisation, scheduled kilometers to actual kilometers, revenue realisation, material consumption, cost effectiveness etc.

U.D. Joshi\(^2\) analysed how data regarding monthly recoveries from customers will reveal information on the estimation of future income.

A.V. Raman,\(^3\) in his research study on working capital management with reference to selected STUs evaluated the working capital structure, adequacy and liquidity. He has discussed five STUs viz., APSRTC, G.S.R.T.C., Karnataka S.R.T.C., Kerala S.R.T.C. and M.S.R.T.C. all registered under the RTC Act 1950, covering a period of ten years.

Another research study was undertaken by Balarami Reddy\(^4\) on working capital management in APSRTC. He has chosen a period of ten years and analysed the inventory composition, cash management practices including working capital planning, financing and efficiency.

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1 Seminar on “Parameters to evaluate STUs Performance, Pune, Central Institute of Road Transport, 1984.
A different case study of research undertaken by Banerjee, analysed the pattern of receipts and payments in the short-term financing management of working capital with reference to industry. The liquid ratio and the turnover ratio of debtors and creditors have direct relationship. An attempt has been made to evaluate the performance of the enterprise concerned in the context of accepted theories and techniques of cash management."

An attempt to establish relationship between thoughts of academicians and the practitioners of the cash management by Corporation, has been made by Surender V. Singhvi.2

Parameswaran, has dealt with the objectives of cash management in public sector undertakings.

Cash as a component of working capital has been widely dealt in the pioneering works of J.M. Keynes and others.

For the analysis of cash management, discussions were useful particularly in providing good insight into the problems of cash management.

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For instance, useful discussions and application of modern techniques have been provided in Bachelor's contemporary cash management.

R.R.Bari, in his study attempted to investigate the cash planning and management practices of selected public sector undertakings keeping in view the functions and requirements of cash management system. The study was made by choosing three units under manufacturing group, three in trading and two in service groups, covering a period of six years from 1971 to 1976.

A. Jeyakumari Janet Marial in her research study, “Inventory Management in Selected State Road Transport Corporations in Tamil Nadu”, analysed the various aspects of efficient management of road transport corporations inventory such as the growth pattern of the inventory ratios, factors responsible for the changes in the growth and the composition of inventory ratios over a period of time, identification of “critical activities” on efficient management of inventory, purchase procedure followed by the corporations, and the discrimination among the selected transport corporations on the basis of “Critical Inventory Ratios.

Uma Subramanyan in her research study “Working Capital Analysis of State Road Transport undertakings in Tamil Nadu”, highlights the working capital position of three parent corporations before and after bifurcation and of three offshoot corporations. Further, it discusses the factors determining the size of working capital in the sample transport corporations. The results have proved that bifurcation has not resulted in improvement in operational efficiency.

Your, T. Oger in his “Cash Management; Methods and Models” discussed the cash management problem faced by business firms. Interrelationship among time periods and among the relevant cash management decision variables have been emphasized. A broader approach to the problems includes the payment schedule, short-term financing, marketable security transactions and the cash balance. Unexpected cash outflow necessitates the holding of minimal cash balance. Complexity of cash management problems stems from decision variables and their inter relationship within each time period and among time periods, and the high frequency with which these decisions have to be made”.

Ramamurthy, V.E., in his Working Capital Management has stressed the importance of maintaining adequate cash position. Planning the sources of

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cash and utilisation of cash is of paramount importance for successful cash management. Proper cash planning shall be applied in predicting cash inflow and outflow. The designing and implementation of cash control system calls for a variety of planning decisions like location of bank facilities, information process, transfer of funds and similar measures. The cash management system should be modified, at any time, to meet new and changing situations.

**METHODOLOGY**

"There are as many twenty-one State owned Transport Corporations in Tamil Nadu which are regrouped under seven divisions with a total paid-up capital of 561.44 crores invested on a fleet strength of 16,914 operating over 22,419.95 lakhs kilometers per annum. The total assets of the State Transport Corporations undertakings in Tamil Nadu was Rs.623.11 crores and they carried over 66981.23 lakhs passenger per annum."

The data pertaining to a period of nine years i.e., from 1990-91 to 1998-99 were collected and analysed. Further, the period of nine years has been chosen as the corporations had sufficiently established themselves by this period.

A detailed interview schedule, covering the areas of cash and related activities, was prepared and used. Information through interview was collected from corporation officials and authorities of the Central Institute of Road Transport, Pune. Further information was collected from authentic

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documents and personal interview with the top personnel in-charge of finance and operation of the selected corporations. Secondary data published in annual accounts, books and records have been collected and analysed.

Mathematical and Statistical tools like mean, standard deviation and co-efficient of variations, regression analysis have been used to analyse the extent of cash involved over the years. Further, the relationship between cash components and revenue, stock received have been analysed through correlation and regression techniques.

**HYPOTHESES**

The following hypotheses have been framed and tested.

1. There may be some linear relationship between bank balance and current liabilities.
2. There seems to be some relation between bank balance and revenue.
3. There may be some linear relationship between revenue and expenditure.
4. Cash balance in current assets of unit-I and unit-II may occur uniformly.
5. Current assets depend on both cash balance and inventory.

**LIMITATIONS OF THE STUDY**

The limitations of the sample based projects are applicable to this study also. Two corporations have been selected for the purpose of the study and the data relating to nine year period was collected and analysed in order to
assess the trend. Secondary data at published in annual accounts, books and records were collected and analysed.

The TNSTC being a PSU, have got certain methods of presentation of data in their reports including the published annual reports. The data presentation flexibility exists only to a limited extent. The conclusions and implications were developed in the study basically on the data furnished by the STUs (Secondary data).

The study has been approached with a pre-set limitations in terms of units, years etc.

Interpretations and analysis have been made thoroughly well, besides selective statistical applications.

The STUs functioning in Tamil Nadu have a peculiar feature of formation of Regional Corporations unlike other States in India (including metros), which are operated on the fashion of one corporation.

Because of the presence character differences, the research findings could not be applied to other States.
assess the trend. Secondary data as published in annual accounts, books and records were collected and analysed.

CHAPTER ARRANGEMENT

Chapter I - INTRODUCTION

This chapter deals with the importance of passenger road transport and examines the rationale behind the regulation and control of such transport undertakings. Among the various problems confronted by the Road Transport Corporations, cash management has been taken up for study. The objective, scope, methodology, limitations of the study etc. have also been presented. A reference to previous studies made on the subject and the way in which the statement of the problem of this study differs from them has also been made in this chapter.

Chapter II - FEATURES OF CASH MANAGEMENT

This chapter focuses on features of cash management in Transport Corporations. The Transport Corporations have the special features of decentralised collection and centralised spending. It analyses the non-synchronisation of cash inflows and cash outflows, factors influencing cash movement, collection in small quantities and expenditure in large quantum.

Chapter III - CASH PLANNING AND ASSESSMENT OF CASH NEEDS

This chapter is on the methods of cash planning followed in the corporations. It attempts to present the cash forecasting practices of the selected transport corporations. The practices followed in the corporations to
determine cash forecast, the factors that provide guidelines to prepare, the cash forecast and factors responsible for causing deviations are analysed. This chapter further deals with the extent of cash needs and of its fulfilment. Factors influencing cash position of the corporations and the estimation of cash requirement in practice are discussed.

Chapter IV - SIGNIFICANCE OF CASH IN CASH-RICH ORGANIZATIONS

This chapter attempts to present the empirical analysis of cash balances in the selected Transport Corporations with the object to find out their practice of maintaining cash balances. It analyse the variation in cash balances in relation to current assets, current liabilities and to total revenue. It examines the effect of changes in the ratio of total revenue to fixed assets, percentage of cash to working capital and percentage of cash to total revenue. Further, the hypotheses are tested and analysed.

Chapter V - DEALING WITH SURPLUS AND DEFICIT CASH

This chapter focuses attention on the surplus and deficit cash situation. It aims at enquiring into the practice of the Transport Corporations in managing surplus and deficit cash situations. It further discusses the techniques adopted in meeting deficit cash situation.

Chapter VI - RELATIONSHIP WITH PARTICIPATING FINANCING AGENCIES

This chapter concerns itself mainly to examine the practice of the Transport Corporations regarding selection of banks, services rendered by
banks to them and mode of compensation for services. It further discusses the role of TDFC in providing financial assistance to the Transport Corporations. Inter-relationship of cash and bank balance is also discussed.

Chapter VII – FINDINGS AND CONCLUSIONS

This chapter contains the main conclusions of the study of cash management in Transport Corporations in Tamil Nadu. It gives a comprehensive summary of the findings and conclusions of the study.