



A Study on Impact of Working Capital of Pragathi Technologies

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RESEARCH DESIGN

STATEMENT OF THE PROBLEM

- The research of Pragathi technologies management of working capital.
- The effects of operational funds over time on a business's financial situation
- Certain circumstances, such as having too much or not enough financial resources, might affect the profitability of a business.
- In rare circumstances, a business may not be able to repay their short-term borrowings within the specified period due to insufficient operating capital.

2. NEED OF THE STUDY

- The working capital is utilised to purchase inventory and cover the immediate expenses of the company. There is occasionally a chance that you'll run out of money if the operating budget falls too far. In this circumstance, even a well-run company may find itself unable to meet its immediate obligations.
- In order to effectively meet immediate obligations and run the company efficiently, effective working capital oversight is crucial in the financial operation of a firm

3. SCOPE OF THE STUDY

- Each business has a different financial management approach.
- This is attributable to a number of reasons, such as variations in collecting and repayment procedures, the propensity for a business to write down a portion of the previous payments owing, etc.

4. OBJECTIVE OF THE STUDY

- To examine the liquidity state using various current capacity-related measures
- To understand Pragathi Systems' financial health
- To understand the effect of working capital on the business's solvency
- To offer guidance on the basis of the study's findings

5. LIMITATIONS OF THE STUDY

- The investigation barely lasted five years in total.
- It was completed quickly.
- The research relies on supplementary information
- The conclusions depend on material that is already publicly available\

6. RESEARCH METHODOLOGY

Since this is an analysis study, the previously estimated information will be evaluated to provide the findings

a) SAMPLE DESIGN

Accounting records are the unit of measurement.

The sample size is the last five years' worth of statements of affairs.

b) METHOD OF DATA COLLECTION

SECONDARY DATA

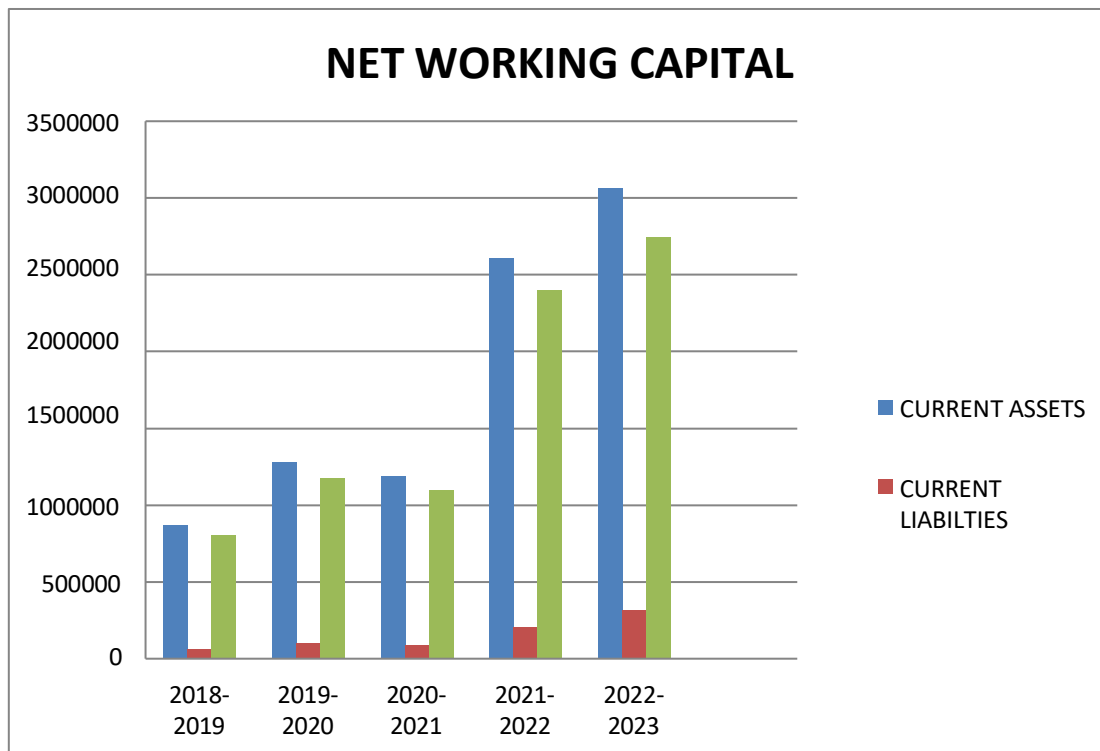
Additional knowledge is utilised to get data for this undertaking.

The profits and losses account or the financial statement were used to gather the data. It was gathered for five years (2019–2023).

7. DATA ANALYSIS TECHNIQUES

A ratio approach was used to analyse findings..

Data processing and analysis



Interpretation :

The total net operating capital amounts for the following years are respectively 805074, 1176731, 1094961, 2397847, and 2743426. It demonstrates that the amount of net operating capital rises from 2019 to 2020, and following this, it is at a positive their position, indicating that the business's financial health has improved and that there is now enough money on hand to cover expenditures.

RATIO ANALYSIS

Ratio is the name for the connection between two figures.

Ratio evaluation involves a numerical examination of the information included in the accounting records of an organisation. It is used to examine several aspects of an organization's financial and operational viability, including availability, achievement, bankruptcy, and competitiveness.

In the pragathi technology, the following ratios are being investigated. It is they **FIRST LIQUIDITY RATIO**

1. CURRENCY RATIO

B. EASY RATIO**A. ABSORBENT LIQUID RATIO****D. TURNOVER RATIO OF DEBTORS TO ACCOUNTS RECEIVABLE****E. RATIO OF CREDITORS TO ACCOUNTS PAYABLE****F. THE WORKING CAPITAL TURNOVER RATIO**

FINDINGS

- Pragathi Technologies' financial position has been rising and is favourable year over year.
- In the period 2019, they had greater current ratio and quick ratio values of 13.8770 and 2.3119, respectively.
- The year 2020 has the smallest debt turnover ratio while the year 2022 has the greatest one.
- The ratio of creditors changing hands is highest in the year 2020 (33.5002), then it rises in the next year (2021), drops in the following year (2022) (25.8741), and then drops to (18.7192) in the following year (2023).
- The year 2021 will have the greatest working capital turnover ratio (4.288302) and the lowest working capacity rotation ratio (2.15306).
- Finally, we can state that the organization's operating capital is adequate and capable of covering its immediate commitment.

SUGGESTIONS

- The business's financial position is growing year over year. Additionally, profit is rising.
- To manage the firm successfully over the long term, it must sustain this each year.
- To sustain the present and fast assets, the present ratios and rapid ratio must be raised from where they were in the previous year.
- The firm is in a strong position to cover its costs and has enough operating capital.
- It ought to utilise the money effectively to raise its revenue.
- Each year, businesses make quick payments to their creditors, but in the most recent year, this was not the case. As a result, improvements must be made in the upcoming years if businesses are to boost their creditworthiness. It must be kept up for it to withstand in the years to come.
- The corporation is making good use of its operating capital. It ought to be kept up for future use.

CONCLUSION

- The purpose of the research on working capital management at Pragathi Technologies is to assess the financial standing of the organisation.
- The study sought to ascertain how the handling of working capital affected the organization's financial status.
- With the use of Pragathi Technologies' financial statements and its profit and loss consideration, this is examined using methods like ratio evaluation.
- The operational capital and financial positions of the company are strong, according to the ratio study.
- The Pragathi Technologies' financial standing is sound, which suggests that the company is being managed well and making strong success.

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