



WORKING CAPITAL MANAGEMENT

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ABSTRACT

Working capital operation is an abecedarian aspect of fiscal operation that ensures a company maintains acceptable liquidity to meet its short- term scores while optimizing profitability. This study explores the principles, strategies, and significance of effective working capital operation across colorful business sectors. The exploration focuses on managing core factors similar as force, accounts receivable, accounts outstanding, and cash balances. A sound working capital strategy enhances functional effectiveness, reduces fiscal threat, and supports sustainable growth. This design analyzes fiscal data from named companies to estimate their working capital effectiveness using crucial rates similar as the current rate, quick rate, force development, and operating cycle. Both theoretical perceptivity and practical case studies are used to identify stylish practices and common challenges. The findings suggest that visionary working capital operation leads to advanced cash inflow, better seller and client connections, and overall fiscal stability. The report concludes with recommendations for optimizing working capital through effective soothsaying, credit control, and force planning.

Keywords: Working Capital, Current means, Current arrears, Liquidity, Financial Management, Cash Flow, Inventory Management, Receivables, Payables, Operating Cycle.

INTRODUCTION

Working capital operation is a critical aspect of fiscal operation that ensures a company maintains sufficient liquidity to meet its short- term scores while optimizing functional effectiveness. It involves the strategic operation of current means and arrears, including cash, accounts receivable, force, and accounts outstanding. Effective working capital operation helps businesses maintain a healthy cash inflow, reduce fiscal pitfalls, and ameliorate profitability. Companies that efficiently manage their working capital can reduce reliance on external backing, minimize costs associated with liquidity dearths, and enhance overall fiscal stability. The significance of working capital operation extends beyond fiscal stability to impacting business growth and competitiveness. An association with a well- structured working capital strategy can efficiently allocate coffers, invest in expansion, and repel profitable misgivings. Again, poor operation of working capital can lead to cash inflow challenges, increased debt burden, and functional dislocations. This study aims to dissect the crucial factors of working capital operation, explore stylish practices, and assess its impact on the fiscal performance and sustainability of businesses.

RESEARCH METHODOLOGY

There are two types of data collection styles available 1. Primary data collection 2. Secondary data collection 1. Primary Data Collection The primary data is that data which is collected fresh hand, and for first time which in nature. Primary data can collect through particular interview, questionnaire etc., to support the secondary data. 2. Secondary Data collection The secondary data are those which have formerly collected and stored. Secondary data fluently get those secondary data from records, journals, annuals reports of the company etc., it'll save the time, plutocrat and sweats to collect the data. Secondary data also made available through trade magazine, balance wastes, books etc., Secondary data comprises of information attained from rate analysis and rate analysis estimates of other fiscal statements lines and some other important documents maintained by the association are also the helpful. The administration report published by ZUARI CEMENT is another source of data.

DATA ANALYSIS

3.1 Statement showing changes in working capital for the year 2024 (Rs. in lakhs)

			Effect on working Capital
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Particulars	As on 31-12-2023	As on 31-12-2024	Increase	Decrease
A) Current assets				
Inventories	2503.20	3114.57	611.37	
Sundry Debtors	2467.39	934.79		1532.6
Cash & Bank	1290.71	1383.35	92.64	
Loans and Advances	1906.20	5284.23	3378.03	
Total (A)				
B) Current Liabilities				
Current liabilities	8167.5	10716.94		
Provisions				
Total (B)				
	3381.69	3758.62		376.93
Working Capital (A-B)	127.90	289.62		161.72
Net decrease in working capital				
Total	3509.59	4048.24		
	4657.91	6668.7		2010.79
	2010.79			
	6668.7	6668.7	4082.04	4082

INTERPRETATION:

This analysis shows the net working capital is increased in the year 2022 – 2023 When compared with 2023 – 2024. Due to increase in current assets like stock, cash deposits, bank & inventories etc.

3.2 Statement showing changes in working capital for the year 2025(Rs. in lakhs)

Particulars	As on 31-12-2024	As on 31-12-2025	Effect on working Capital	
			Increase	Decrease
C) Current assets				
Inventories	3114.57	3971.01	856.44	
Sundry Debtors	934.79	2531.00	1596.21	
Cash & Bank	1383.35	12012.16	10628.81	
Loans and Advances	528403	8821.93	3537.7	
Total (A)				

D) Current Liabilities	10716.94	27336.10	111838.75	127373.9 1084.01
Current liabilities				
Provisions				
Total (B)	3758.62 289.62	131132.52 1373.63		
Working Capital (A-B)				
Net decrease in working capital				
Total	4048.24	132506.63		
	6668.7 111838.05	-105170.05		
	15170.05	105170.05	128457.91	128457.91

INTERPRETATION:

This analysis shows the net working capital is increased in the year 2023– 2024. When compared with 20204 – 2025. Due to increased in current assets like stock, cash deposits, bank & inventories etc.

3.3 Statement showing changes in working capital for the year 2023 (Rs. in lakhs)

Particulars	As on 31-12-2022	As on 31-12-2023	Effect on working Capital	
			Increase	Decrease
E) Current assets				
Inventories	3971.01	6071.35	2100.34	
Sundry Debtors	2531.00	2640.09	109.09	
Cash & Bank	12012.06	4773.47		
Loans and Advances	8821.93	10803.09	1981.16	7238.69
Total (A)				
F) Current Liabilities	27336.10	24288.00		
Current liabilities				
Provisions				
Total (B)	131132.52 1373.63	22479.86 2731.18	108652.66	
Working Capital (A-B)				1360.55
Net decrease in working capital	1352506.15	25211.04		

Total	105170.05	-926.04 104244.01		104244.01
	105170.05	105170.05	12843.25	12843.25

INTERPRETATION:

This analysis shows the net working capital is decreased in the year. When compared with 2022 – 2023. Due to decreased in current assets like stock, cash deposits, bank & inventories etc.

CONCLUSION

To insure advanced profitability and fiscal growth of the association working capital is essential. The study of working capital operation as it shown significance in fiscal operation it studied the change in net working capital and working capital rate in which i observed and suggested to ameliorate the cash balance. In some areas special care should be needed operation should fake inauguration in amending in acceptable working capital because acceptable working capital will help in working the short- term debts. The working capital operation system followed in ZUARI CEMENT shows a satisfactory.

5.REFERENCES

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