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A Study on Working Capital Management in BIG IT, in Kumbakonam

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ABSTRACT
This study focused on the working capital management of the BIG IT, which is located in Kumbakonam. The day to day expenses is most important aspects in any business, a company will maintain the fluctuation related to their sales because excess working capital causes no profit and the shortage of working capital cause rate of return on investment. The paper is used to determine how the working capital is maintain, to know how the working capital is being financed and understanding how efficiently it managed, to identify five years of the debtors, creditors, inventory and working capital turnover ratio and finally make the recommendation and suggestion for the better working capital in BIG IT.

KEYWORDS: *Ratio analysis, effective working capital*

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INTRODUCTION
BIG IT may be a technologies Ltd may be a leading of worldwide IT services company that helps global enterprises re-imagine and transform their businesses through Digital technology transformation. It services is outsourcing consulting managed services. Working capital represents a company's ability to pay its current liabilities with its current assets. Working capital is a very important measure of financial health since creditors can measure a company's ability to pay off its debts within a year. Ratio analysis is employed to guage variety of issues with an entity, like its liquidity, efficiency of operations, and profitability

OBJECTIVES OF THE STUDY:
- To evaluate effective working capital management in BIG IT.
- To analyze the balance sheet statement using Ratio analysis.
- To find out the changes in working capital of the company for past five years.

RESEARCH METHDOLOGY:
A study analyzing the trends of working capital in a firm and examine the possible causes for any significant differences. The data has been collected from the financial statement. A comprehensive measure of profitability is best captured by computing the return on total assets which is equal to the total liabilities of the firms, made up mainly of equity capital and current liabilities.

RESEARCH DESIGN:
Study period: 2014-2019
Methods of data collection: secondary data
Tools for analysis: To calculate working capital management and ratio analysis

SCOPE OF THE STUDY:
Analyze the working capital management and ratio analysis in BIG IT.

LIMITATION OF STUDY:
- The details all about based on secondary data.
- The time is short so could not find more details.

DATA ANALYSIS:
STATEMENT OF CHANGES IN WORKING CAPITAL

Year	Net working capital	Increase/ Decrease
2014-2015	537158691	11257982
2015-2016	522554107	6325340
2016-2017	542331381	70023142
2017-2018	523873335	14182434
2018-2019	373343818	165215465

INTERPRETATION:
From the above table it is inferred that the net working capital was decreasing from the year 2015-2019 and increasing in the year 2018-2019.

RATIO ANALYSIS:

Year	Current ratio	Gross profit ratio	Net profit ratio
2015	3.54	0.71	0.51
2016	3.33	0.70	0.49
2017	3.49	0.61	0.43
2018	3.00	0.54	0.36
2019	2.42	0.39	0.23

INTERPRETATION:

From the above table infrared current ratio and gross profit ratio and net profit ratio and is highest in the year 2015.

FINDINGS:

- The current ratio, which is less than the standard norms that has been uniformly maintained in all the Five years.
- Schedule of changes in working capital has been decreasing from 2014-2015, it is due to increase in current liabilities and decrease in debtors.
- The grass working capital has been decreasing in the years 2015-2018.
- The net working capital has been decreasing in the years 2017-2018

SUGGESTIONS:

- Though the financial performance of the company is good. There is a decreasing trend in profit level, so the company must take necessary actions to increase its profit level.
- It is suggested that the company should try to generate maximum funds through operations and should reduce their dependence on borrowings for working capital.

CONCLUSION:

The study is focused on the working capital management using the ratio of BIG IT. The study reveals that the financial aspect of the company is satisfactory.

The current ratio, which is less than the standard norms that has been uniformly maintained in all the Five years.

In general the working capital management of BIG IT has been on the decreasing side. By improving the ratios.

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