

## A Study on Working Capital Management Ultratech Pvt Ltd

Pradeep Reddy<sup>1</sup>, P. Naveen<sup>2</sup>

<sup>1,2</sup> P.G. Scholar

<sup>1,2</sup> M.B.A., (Finance)

<sup>1,2</sup> Gates Institute of Technology

Email: [reddypradeep848@gmail.com](mailto:reddypradeep848@gmail.com), [nr543219@gmail.com](mailto:nr543219@gmail.com)

### ABSTRACT

The task is "A WORKING CAPITAL MANAGEMENT" ULTRATECH PVT LTD The fundamental goal of the investigation is to discover the soundness, liquidity and productivity of the organization. The investigation is figured by the exploration plan for dissecting the gainfulness, soundness and liquidity of the organization.

The examination configuration utilized for this investigation is explanatory research structure. Auxiliary information is gathered from diaries, magazines, reports and books. The factual instruments for the investigation are normal size proclamation, relative explanation, pattern examination and proportion examination. Charts are additionally utilized for the diagrammatic portrayal of the understanding. The investigation was principally founded on the yearly reports of ULTRATECH PVT LTD PVT LTD.

**Keywords** Working Capital, Liquidity, Profitability

### INTRODUCTION

Working capital administration is worried about the issues that emerge in endeavoring to deal with the present resources, the present liabilities and the interrelationship that exists between them. The term current resources allude to those benefits which in the standard course of

business can be, or will be, changed over into money inside one year without experiencing a decrease in worth and without upsetting the activities of the firm. The real present resources are money, attractive protections, records of sales and stock. Current liabilities are those liabilities which are expected, at their origin, to be paid in the common course of business, inside a year, out of the present resources or profit of the worry. The fundamental current liabilities are creditor liabilities, charge payable, bank overdraft, and remarkable costs.

The objective of working capital administration is to deal with the association's present resources and liabilities so that a palatable degree of working capital is kept up. This is so supposing that the firm can't keep up a palatable degree of working capital, it is probably going to wind up wiped out and may even be constrained into insolvency. The present resources ought to be huge enough to cover its present liabilities so as to guarantee a sensible edge of security. The association between current resources and current liabilities is, in this manner, the primary subject of the hypothesis of working administration.

### IDEAS OF WORKING CAPITAL

There are two ideas of working capital:

1. Gross working capital.
2. Net working capital.

- Gross working capital alludes to the company's interest in current resources. Current resources are the benefits which can be changed over into money inside a bookkeeping year and incorporate money, transient protections, borrowers, (records of sales or book obligations) charges receivable and (stock).

#### **Gross work capital = all out current resources**

Net working capital alludes to the contrast between current resources and current liabilities, Current liabilities are those cases of outcasts which are relied upon to develop for installment inside a bookkeeping year and incorporate leasers (creditor liabilities), charges payable, and exceptional costs. Net working capital can be certain or negative. A positive net working capital will emerge when current resources surpass current liabilities are in overabundance of current resources.

$$\text{Net Working Capital} = \text{Current Resources} - \text{Current Liabilities}$$

#### **NEED FOR THE STUDY**

The degree to which benefits can be earned will normally depend, among different diminishes, upon the greatness of the deals. An effective deals modified is, at the end of the day vital for procuring benefits by any business undertaking. Be that as it may, deals don't change over into money right away; there is constantly a period slack between the closeout of merchandise and the receipt of money. There is, along these lines, a requirement for working capital as present advantages for arrangement with the issue emerging out of the absence of quick acknowledgment of money against products sold. Consequently, adequate working capital is important to support deals movement. Working capital administration is significant zone of fund in light of the fact that without legitimate administration of working capital it is hard for association to run its activities easily. So

as to clarify the connection between working capital administration and productivity various looks into had been completed in various pieces of the world particularly in creating nations

- Conversion of money into stock;
- Conversion of stock into receivables;
- Change of receivables into money

#### **SCOPE OF THE STUDY**

The extent of the investigation is distinguished after and during the examination is led. The fundamental extent of the examination was to put into reasonable the hypothetical part of the investigation into genuine work involvement. The investigation of working capital depends on instruments like Ratio Analysis, Statement of changes in working capital. Further the examination depends on most recent 5 years Annual Reports of ULTRATECH PVT LTD .

#### **METHODOLOGY**

##### **ESSENTIAL DATA:**

The essential information is that information which is gathered crisp or direct, and for first time which is unique in nature. In this examination the Primary information has been gathered from Personal Interaction with Finance supervisor

##### **OPTIONAL DATA:**

The optional information are those which have effectively gathered and put away. Optional information effectively get those auxiliary information from records, yearly reports of the organization and so on. It will spare the time, cash and endeavors to gather the information.

The real wellspring of information for this task was gathered through yearly reports, benefit and misfortune record of multi year time frame from 2015-2019 and some more data gathered from web and content sources.  
**EXAMINING DESIGN**

Examining unit : Financial Statements.  
Examining Size : Last five years budget summaries.  
Instrument Used for figuring's: - MS-Excel.

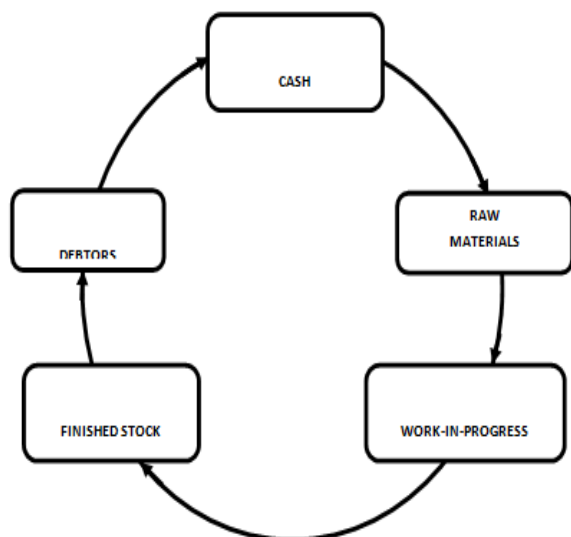
### INSTRUMENTS USED FOR ANALYSIS OF DATA

The information were examined utilizing the accompanying monetary apparatuses.

They are

- Ratio investigation.
- Statement of changes in working capital.

### WORKING CYCLE OF WORKING CAPITAL



The working capital cycle stores to the timeframe between the firm paying money for materials and so forth, this working capital otherwise called working cycle. Working capital cycle or working cycle demonstrates the length or time between organizations paying for materials going into stock and getting the money from offers of completed merchandise. The working cycle (Working Capital) comprises of the accompanying occasions. Which proceeds for the duration of the life of business?

- ☒ Conversion of cash into raw materials.
- ☒ Conversion of raw materials into work in progress.

- ☒ Conversion of work in progress into finished stock.
- ☒ Conversion of finished stock into accounts receivables (Debtors) through sale and
- ☒ Conversion of account receivables into cash.

### PARTS OF WORKING CAPITAL

The parts of working capital are:

#### **Cash Management:**

Money is the significant current resource for the activity of the business. Money is the Essential info expected to keep the business running in the nonstop premise, it is additionally a definitive yield expected to be acknowledged by selling or item fabricated by the firm. The firm should keep adequate money neither more nor less. Money deficiency will disturb the company's assembling tasks while over the top money will essentially stay perfect without contributing anything towards the association's benefit. Therefore a noteworthy capacity of the monetary chief is to keep up a sound money position. Money is the cash, which a firm can dispense quickly with no limitation. The term money incorporates coins, cash and checks held by the firm and parities in its financial balance.

### **REQUIREMENT FOR HOLDING CASH**

The requirement for holding Cash emerges from an assortment of reasons which are,

#### 1. Transaction Motive:

An organization is continually going into exchanges with different elements. While a portion of these exchanges may not result in a prompt inflow/outpouring of money (E.g. Credit buys and Sales), different exchanges cause prompt inflows and surges. So firms keep a specific measure of money in order to manage routine exchanges where prompt money installment is required.

**2. Precautionary Motive:**

Possibilities have a propensity for springing up all of a sudden. An abrupt fire may break out, mishaps may occur, workers may go on a strike, banks may present bills sooner than anticipated or the account holders may make installments sooner than justified. The organization must be set up to meet these possibilities to limit the misfortunes. For this reason organizations for the most part keep up some sum as Cash.

**3. Speculative Motive:**

Firms additionally keep up money adjusts so as to exploit openings that don't happen over the span of routine business exercises. For instance, there might be an abrupt reduction in the cost of Raw Materials which isn't relied upon to keep going long or the firm might need to put resources into protections of different organizations when the cost is perfect. These exchanges are absolutely of theoretical nature for which the organizations need money.

**DESTINATIONS OF CASH  
MANAGEMENT**

Essential object of the money the executives is to keep up an appropriate harmony among liquidity and benefit. So as to ensure the dissolvability of the firm and furthermore to expand the productivity. Following are a portion of the destinations of money the board.

1. To meet everyday money necessities.
2. To accommodate unforeseen installments.
3. To amplify benefits on accessible venture openings.
4. To ensure the dissolvability of the firm and develop picture.
5. To limit operational expense of money the executives.
6. To guarantee compelling usage of accessible money assets.

**MONEY BUDGETING**

Money planning is a significant instrument for controlling the money. It is set up for future period to know the assessed measure of money that might be required. Money spending plan is an announcement of evaluated money inflows and surges identifying with a future period. It gives data about the measure of money expected to be gotten and the measure of money expected to be paid out by a firm for a given period.

Money planning shows most likely money receipts and money installments for an under thought. It is an announcement of planned money receipts and money installment bringing about either positive or negative money or for a week or for a year, etc.

**RECEIVABLES MANAGEMENT:**

Receivables or indebted individuals are the a standout amongst the most significant pieces of the current Resources which is made whether the organization offers the completed merchandise to the client however not get the money for the equivalent right away. Exchange credit emerges when an organization deals its items or administrations on layaway and does not get money right away. It is a basic advertising apparatus, going about as an extension for the snapshot of merchandise through creation and appropriation stages to clients.

The receivables incorporate three attributes

- 1) It include component of hazard which ought to be cautiously examination.
- 2) It depends on monetary worth. To the purchaser, the monetary incentive in products or administrations takes a break of offer, while merchant anticipates that a comparable worth should be gotten later on.

- 3) It infers futurity. The money installment for products or services gotten by the purchaser will be made by him in a future period.

An organization gives exchange credit to shield its deals from the contenders and to pull in the potential clients to purchase its items at positive terms. Exchange credit makes receivables or book obligations that the organization is acknowledged to gather sooner rather than later. The clients from who receivables must be gathered are called as "Exchange Debtors" receivables comprise a generous position of current resources. Allowing credit and attributing account holders, adds up to the hindering of the organization's assets. The interim between the date of offer and the date of installment must be financed out of working capital as significant sums are tied up in exchange indebted individuals. It needs cautious examination and appropriate administration.

In BCM Ltd., they are selling the products on money premise and furthermore on layaway premise.

#### INVENTORY MANAGEMENT:

Inventories are products held for inevitable deal by a firm. Inventories are in this manner one of the real components, which help the firm in acquiring the ideal degree of offers. Inventories incorporate crude materials, semi completed merchandise, completed items. In organization there ought to be an ideal degree of speculation for any advantage, regardless of whether it is plant, money or inventories. Again lacking upsets generation and causes misfortunes in deals. Effective administration of stock ought to at last outcome in riches amplification of proprietor's riches. It suggests that while the administration should attempt to seek after money related target of turning stock as fast as could be allowed, it ought to in the

meantime guarantee adequate inventories to fulfill generation and deals request.

The fundamental destinations of stock administration are operational and monetary.

The operational imply that implies that the materials and extras ought to be accessible in adequate amount with the goal that work isn't upset for need of stock. The money related target implies that interests in inventories ought not stay perfect and least working capital ought to be secured it.

- To monitor material expense with the goal that they contribute in decreasing expense of generation and generally buys.
- To limit misfortunes through weakening, pilferage, wastages and harms.
- To structure appropriate association for stock control with the goal that administration. Obvious record capacity ought to be fixed at different degrees of the association.
- To guarantee ceaseless stock control with the goal that materials appeared stock records ought to be really lying in the stores.

#### DATA ANALYSIS & INTERPRETATION

##### Statement of changes in working capital:

**Table 1: statement of changes in working capital for the year 2019-2018 Ultratech pvt ltd**



Particulars	As on 31-3-2019	As on 31-3-2018	Increase	Decrease
<b>CURRENT ASSETS</b>				
Inventories	2001305.00	1332455.00	—	468850.00
Sundry debtors	1438810.00	2201381.00	762571.00	—
Cash & Bank balance	503667.00	493742.00	—	9925.00
Other current assets	134364.00	148822.00	14458.00	—
Loans and Advances	193081.00	186699.00	—	6382.00
(A) Total Current Assets	4271227.00	4563099.00		
<b>CURRENT LIABILITIES</b>				
Sundry creditors	1606195.00	1673515.00	—	67320.00
Provisions	511561.00	368028.00	143533.00	—
(B) Total Current Liabilities	2117756.00	2041543.00		
(A)-(B) Net Working Capital	2153471.00	2521556.00		
Increase in Working Capital	368085.00*	—	—	368085.00*
<b>TOTAL</b>	2521556.00	2521556.00	920562.00	930487.00

### INTERPRETATION:

In the above table, it is seen that during the year 2019 and 2018 there was a net increment in working capital of Rs 368085.00. It shows a sufficient working capital in ULTRATECH PVT LTD.

1. Increase current resources, for example, Sundry indebted individuals by Rs 762571.00, other current resources by Rs 14458.00. What's more, decline in Inventories by Rs 468850.00, Cash and Bank balance by Rs 9925.00, Loans and Advances by Rs 6382.00.
2. Increase in current liabilities, for example, in Sundry lenders by Rs 67320.00 and decline in Provisions by Rs 143533.00.

**Table 2: Statement of Changes in Working Capital for the Year 2017-2018**

Particulars	As on 31-3-2018	As on 31-3-2017	Effect on working capital	
			Increase	Decrease
<b>CURRENT ASSETS</b>				
Inventories	1332455.00	2161071.00	628616.00	—
Sundry debtors	2201381.00	4958527.00	2757146.00	—
Cash & Bank balance	493742.00	1205660.00	711918.00	—
Other current assets	148822.00	78260.00	—	70562.00
Loans and Advances	186699.00	1196128.00	1009429.00	—
(A) Total Current Assets	4563099.00	9599646.00		
<b>CURRENT LIABILITIES</b>				
Sundry creditors	1673515.00	3492127.00	—	1818612.00
Provisions	368028.00	395638.00	—	27610.00
(B) Total Current Liabilities	2041543.00	3887765.00		
(A)-(B) Net Working Capital	2521556.00	5711881.00		
Increase in Working Capital	3190325.00*	—	—	3190325.00*
<b>TOTAL</b>	5711881.00	5711881.00	5107109.00	5107109.00

### INTERPRETATION:

In the above table, it is seen that during the year 2017-16 and 2016-15 there was huge net increase in working capital by Rs 3190325.00 As Compare to 2004-05 and 2005-06.

1. There is Increase in current assets such as Inventories by Rs 628616.00, Sundry debtors by Rs 2757146.00, Cash & Bank balance by Rs 711918.00, Loans and Advances by Rs 1009429.00. And decrease in other current assets by Rs 70562.00.
2. There is Increase in current liabilities such as Sundry creditors by Rs 1818612.00, Provisions by Rs 27610.00.

**3. Table 3: Statement of Changes in Working Capital for the Year 2017-2016**

Particulars	As on 31-3-2017	As on 31-3-2016	Effect on working capital	
			Increase	Decrease
<b>CURRENT ASSETS</b>				
Inventories	2161071.00	3336430.00	1175359.00	—
Sundry debtors	4938327.00	1805948.00	—	3152579.00
Cash & Bank balance	1203680.00	1033152.00	—	172508.00
Other current assets	78260.00	189683.00	111423.00	—
Loans and Advances	1196128.00	2712404.00	1516276.00	—
(A) Total Current Assets	9599646.00	9077617.00		
<b>CURRENT LIABILITIES</b>				
Sundry creditors	3492127.00	2649781.00	842346.00	—
Provisions	393638.00	179298.00	216340.00	—
(B) Total Current Liabilities	3887765.00	2829079.00		
(A)-(B) Net Working Capital	5711881.00	6248538.00		
Increase in Working Capital	536657.00*	—	—	536657.00*
<b>TOTAL</b>	<b>6248538.00</b>	<b>6248538.00</b>	<b>3861744.00</b>	<b>3861744.00</b>

#### INTERPRETATION:

In the above table, it is seen that during the year 2016-15 and 2015-14 there was likewise net increment in working capital by Rs 536657.00. As contrast with 2017-16 and 2016-15.

This is on the grounds that

1. There is Increase in current resources, for example, Inventories by Rs 1175359.00, other current resources by Rs 111423.00, Loans and Advances by Rs 1516276.00 and decline in Sundry account holders by Rs 3152579.00, Cash and Bank balance by Rs 113618.00.
2. There is Decrease in current liabilities, for example, Sundry lenders by Rs 842346.00, Provisions by Rs 216340.00

**Table 4: Statement of Changes in Working Capital for the Year 2016-2015**

Particulars	As on 31-3-2016	As on 31-3-2015	Effect on working capital	
			Increase	Decrease
<b>CURRENT ASSETS</b>				
Inventories	3336430.00	2622901.00	—	713529.00
Sundry debtors	1805948.00	3787274.00	1981326.00	—
Cash & Bank balance	1033152.00	1720815.00	687663.00	—
Other current assets	189683.00	206206.00	16523.00	—
Loans and Advances	2712404.00	2666232.00	—	46172.00
(A) Total Current Assets	<b>9077617.00</b>	<b>11003428.00</b>		
<b>CURRENT LIABILITIES</b>				
Sundry creditors	2649781.00	2658999.00	—	9218.00
Provisions	179298.00	1230900.00	—	1051602.00
(B) Total Current Liabilities	<b>2829079.00</b>	<b>3889899.00</b>		
(A)-(B) Net Working Capital	<b>6248538.00</b>	<b>7113529.00</b>		
Increase in Working Capital	<b>864991.00*</b>	—	—	<b>864991.00*</b>
<b>TOTAL</b>	<b>7113529.00</b>	<b>7113529.00</b>	<b>2667512.00</b>	<b>2667512.00</b>

#### INTERPRETATION:

In the above table, it is seen that during the year 2004-05 and 2017-16 there was a net increment in working capital of Rs 368085.00. It demonstrates a satisfactory working capital in ULTRATECH PVT LTD.

This is a direct result of

1. Increase current resources, for example, Sundry account holders by Rs 762571.00, other current resources by Rs 14458.00. Also, decline in Inventories by Rs 468850.00, Cash and Bank balance by Rs 9925.00, Loans and Advances by Rs 6382.00.
2. Increase in current liabilities, for example, in Sundry lenders by Rs 67320.00 and decline in Provisions by Rs 143533.00

**Table 5: Statement of Changes in Working Capital for the Year 2015-2014**

Particulars	As on 31-3-2015	As on 31-3-2014	Effect on working capital	
			Increase	Decrease
<b>CURRENT ASSETS</b>				
Inventories	2622901.00	2360611.00	—	262290.00
Sundry debtors	3787274.00	4355365.00	568091.00	—
Cash & Bank balance	1720813.00	1978938.00	258125.00	—
Other current assets	206206.00	183583.00	—	20621.00
Loans and Advances	2666232.00	3066167.00	399995.00	—
<b>(A) Total Current Assets</b>	<b>11003428.00</b>	<b>11946666.00</b>		
<b>CURRENT LIABILITIES</b>				
Sundry creditors	2638999.00	3057849.00	—	398850.00
Provisions	1230900.00	1107810.00	123090.00	—
<b>(B) Total Current Liabilities</b>	<b>3889899.00</b>	<b>4165659.00</b>		
<b>(A)-(B) Net Working Capital</b>	<b>7113529.00</b>	<b>7781007.00</b>		
<b>Increase in Working Capital</b>	<b>667478.00*</b>	—	—	<b>667478.00*</b>
<b>TOTAL</b>	<b>8270981.00</b>	<b>8270981.00</b>	<b>1349239.00</b>	<b>1349239.00</b>

## NET WORKING CAPITAL

**NET WORKING CAPITAL = CURRENT ASSETS - CURRENT LIABILITIES**

Years	Current Asset	Current Liabilities	NWC
2019-2018	4563099.00	2041543.00	2521556.00
2018-2017	9599646.00	3887765.00	5711881.00
2017-2016	9077617.00	2829079.00	6248538.00
2016-2015	11003428.00	3889899.00	7113529.00
2015-2014	11946666.00	4165659.00	7781007.00



## INTERPRETATION:-

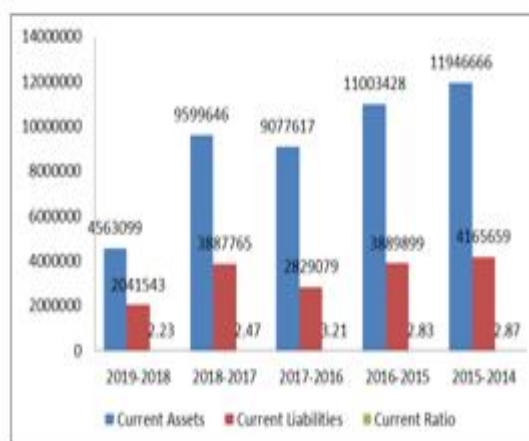
The above outline demonstrates that during the year 2017-16 the organization has 2521556.00 N.W.C. In the year 2016-15 tremendous increment in the N.W.C is 5711881.00 and in the year 2015-14 the organization has 6248538.00 N.W.C in the

year 2015-2014 the organization has 7113529.00 N.W.C the N.W.C of the organization is expanding contrasted with the earlier years, in the year 2015-2014 the organization has 7781007.00 N.W.C this implies the organization in an inspirational position and N.W.C has improved shift quick when contrasted with the earlier years which show liquidity Position of the ULTRATECH PVT LTD has in every case more and adequate working capital accessible to satisfy its present liabilities.

## CURRENT RATIO:-

**Current Ratio:  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$**

Year	Current Assets	Current Liabilities	Current Ratio
2019-2018	4563099	2041543	2.23
2018-2017	9599646	3887765	2.47
2017-2016	9077617	2829079	3.21
2016-2015	11003428	3889899	2.83
2015-2014	11946666	4165659	2.87



## INTERPRETATION:-

It is seen from the above graph that during the year 2017-16 the current proportion was 2.23, during the year 2016-15 it was 2.47 and in the year 2015-14 it was 3.21. This



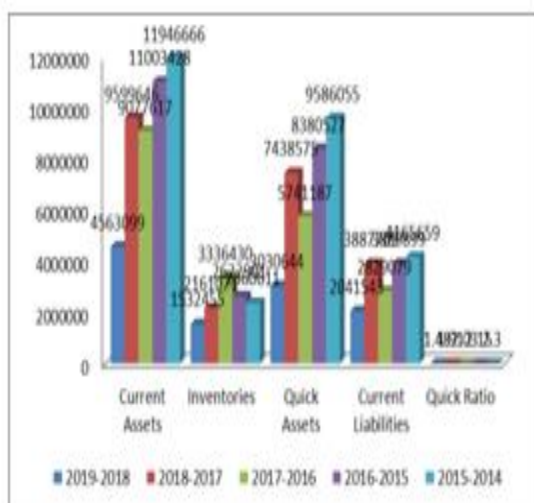
demonstrates the present proportion expands each year however in the year 2015-2014 the present proportion was dropped to 2.83 because of increment in current liabilities. In the year 2015-2014 the present proportion has increments 2.87. The present proportion is over the standard proportion i.e., 2:1. Consequently it very well may be said that there is sufficient current resources in ULTRATECH PVT LTD to meet its present liabilities.

### ACID TEST RATIO / QUICK RATIO / LIQUIDITY RATIO:-

**Quick Ratio = Quick Assets (current assets - Inventory)**

**Current Liabilities**

Year	Current Assets	Inventories	Quick Assets	Current Liabilities	Quick Ratio
2019-2018	4563099.00	1532455.00	3030644.00	2041543.00	1.48
2018-2017	9599646.00	2161071.00	7438575.00	3887765.00	1.91
2017-2016	9077617.00	3336430.00	5741187.00	2829079.00	2.03
2016-2015	11003428.00	2622901.00	8380527.00	3889899.00	2.15
2015-2014	11946666.00	2360611.00	9586055.00	4165659.00	2.30



### INTERPRETATION:-

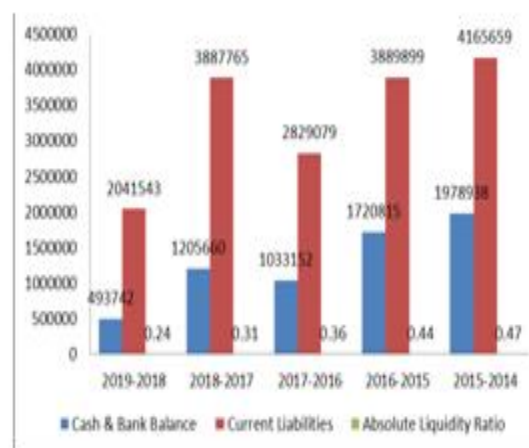
During the year 2017-16 the brisk proportion was 1.48, in the year 2016-15 it increments to 1.91 This demonstrates the

organization keeps up palatable snappy proportion, in the year 2017-2016 the speedy proportion increments to 2.03, in the year 2015-2014 it increments 2.15, in the year 2015-2014 it increments 2.30, because of increment in fast resources. The speedy proportion is over the standard proportion i.e., 1:1. Subsequently it demonstrates that the liquidity position of the organization is satisfactory.

### ABSOLUTE LIQUID RATIO:-

**Absolute Liquidity Ratio = Cash & Bank Balance / Current Liabilities**

Years	Cash & bank balance	Current Liabilities	Absolute Liquidity Ratio
2019-2018	493742.00	2041543.00	0.24
2018-2017	1205660.00	3887765.00	0.31
2017-2016	1033152.00	2829079.00	0.36
2016-2015	1720815.00	3889899.00	0.44
2015-2014	1978938.00	4165659.00	0.47



### INTERPRETATION:

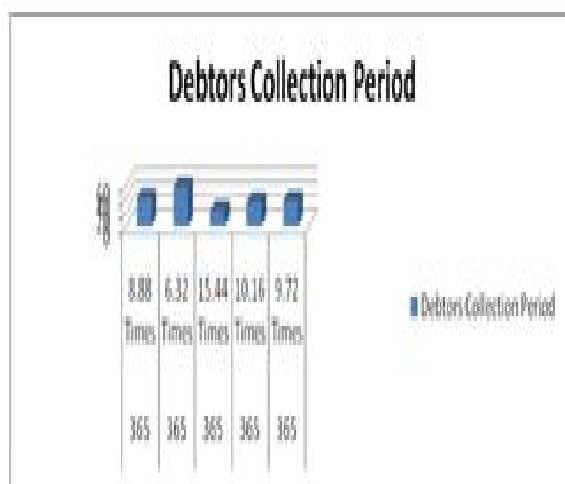
1. During the year 2017-16 the Absolute clamminess arrangement was 0.24, during the year 2016-15 it was 0.31 and in the year 2015-14 it was 0.36, in the year 2015-2014 it was 0.44 This shows the Absolute clamminess arrangement increases every year but it is beneath the accepted

ratio. In the year 2015-2014 the Absolute clamminess arrangement has increases 0.47

### **DEBTORS COLLECTION PERIOD :-**

$$\text{Average Collection Period} = \frac{\text{Days in a Year}}{\text{Debtors Turnover Ratio}}$$

Year	Days in a Year	Debtors Turnover Ratio	Debtors Collection Period
2019-2018	365	8.88 Times	41.10 Days
2018-2017	365	6.32 Times	57.75 Days
2017-2016	365	15.44 Times	23.64 Days
2016-2015	365	10.16 Times	35.92 Days
2015-2014	365	9.72 Times	37.55 Days



### **INTERPRETATION:**

Debt collection period changing over the years. It was 41.10 days in the year 2005-06. It increased to 57.75 days in the year 2016-15, but in the year 2015-14 it decreased to 23.64 days. There was a subsequent increase in the year 2015-2014 and 2015-2014 to 35.92 days and 37.55 days respectively.

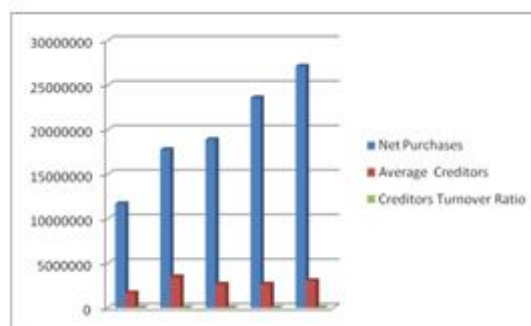
This shows the inefficient credit collection performance of the company

### **CREDITORS/ACCOUNTS**

### **PAYABLES TURNOVER RATIO:-**

$$\text{Creditors Turnover Ratio} = \frac{\text{Net Purchases}}{\text{Average Creditors}}$$

Year	Net Purchases	Average Creditors	Creditors Turnover Ratio
2019-2018	11891090.00	1873515.00	6.98 Times
2018-2017	17778675.00	3492127.00	5.09 Times
2017-2016	18396828.00	2649781.00	7.13 Times
2016-2015	23603775.00	2638999.00	8.88 Times
2015-2014	27146639.00	3037849.00	8.88 Times



### **INTERPRETATION:**

It is clear that creditor turnover ratio changing over the years. It was 6.98 times in the year 2005-06. It decreased to 5.09 times in the year 2016-15, there was a subsequent increase in the year 2015-14 and 2015-2014 to 7.13 times and 8.88 times respectively. In the year 2015-2014 it is same as compared to 2015-2014. It shows that company has making prompt payment to the creditors.

### **FINDINGS, SUGGESTIONS & CONCLUSIONS**

### **FINDINGS.**

Working basic of the ULTRATECH PVT LTD . was accretion and assuming absolute alive basic per year.

- The ULTRATECH PVT LTD has college accepted and quick ratios are i.e., 2.87 and 2.30 respectively.

- Inventory about-face arrangement is actual low in the year 2015-14. In the year 2015-2014 it has added by 6.32 times as compared to 2015-14 and in the endure year 2015-2014 it has afresh added by 3.26 times as compared to 2015-2014.
  - Debtor's about-face arrangement is actual top in the year 2015-14.
  - In the year 2015-2014 it has decreased by 5.28 times as compared to 2015-14 and in the endure year 2015-2014 it has afresh decreased by 0.44 times as compared to 2015-2014.
  - Creditor's about-face arrangement has added in the years of 2015-14 and 2015-2014. It is aforementioned in the endure year 2015-2014 as compared to 2015-2014.
  - Working basic about-face arrangement is actual low in the year 2015-14. In the year 2015-2014 it has added by 0.95 times as compared to 2015-14 and in the endure year 2014-15 it has afresh added by 0.03 times.
- funds from receivables and to reduce the bad debts.
  - The company has sufficient working capital and has better liquidity position. By efficient utilizing this short-term capital, then it should increase the turnover.
  - The aggregation has acceptable alive basic and has bigger clamminess position. By able utilizing this concise capital, again it should access the turnover.
  - Creditor's about-face arrangement has accretion from 2015-14 to 2015-2014 and in the endure year 2014-15 it is aforementioned as compared to 2015-2014. Aggregation is authoritative alert transaction to its creditors. This is acceptable assurance for the company. On-time transaction to suppliers will access the believability of the firm. It has advance it added to survive in the market.
  - The aggregation is utilizing alive basic finer this is acceptable for the company. It has to advance it further.

### **SUGGESTIONS.**

- Working capital of the company has increasing every year. Profit also increasing every year this is good sign for the company. It has to maintain it further, to run the business long term.
- The Current and quick ratios are almost up to the standard requirement. So the Working capital management. ULTRATECH PVT LTD. is satisfactory and it has to maintain it further.
- The company has sufficient working capital and has better liquidity position. By efficient utilizing this short-term capital, then it should increase the turnover.
- The company should take precautionary measures for investing and collecting

### **CONCLUSIONS**

The abstraction on alive basic administration conducted in ULTRATECH PVT LTD . to assay the banking position of the company. The company's banking position is analyzed by application the apparatus of anniversary letters from 2017-16 to 2015-2014.

The banking cachet of ULTRATECH PVT LTD . is good. In the endure year the account about-face has increased, this is acceptable assurance for the company.

The company's clamminess position is actual acceptable With attention to the investments in accepted assets there are able funds invested in it. Care should be taken by the aggregation not to accomplish added investments in accepted assets, as it would block the funds, which could contrarily be finer activated for some advantageous

purpose. On the whole, the aggregation is affective advanced with accomplished management

### **BALANCE SHEETS**

Particulars	As on 31-3-2019	As on 31-3-2018	Increase	Decrease
<b><u>CURRENT ASSETS</u></b>				
Inventories	2001305.00	1532455.00	—	468850.00
Sundry debtors	1438310.00	2201381.00	762571.00	—
Cash & Bank balance	503667.00	493742.00	—	9925.00
Other current assets	134364.00	148822.00	14458.00	—
Loans and Advances	195081.00	186699.00	—	6382.00
(A)Total Current Assets	<b>4271227.00</b>	<b>4563099.00</b>		
<b><u>CURRENT LIABILITIES</u></b>				
Sundry creditors	1606195.00	1673515.00	—	67320.00
Provisions	511561.00	368028.00	143533.00	—
(B)Total Current Liabilities	<b>2117756.00</b>	<b>2041543.00</b>		
(A)-(B) Net Working Capital	<b>2153471.00</b>	<b>2521556.00</b>		
Increase in Working Capital	<b>368085.00*</b>	—	—	<b>368085.00*</b>
<b>TOTAL</b>	<b>2521556.00</b>	<b>2521556.00</b>	<b>920562.00</b>	<b>930487.00</b>

Particulars	As on 31-3-2018	As on 31-3-2017	Effect on working capital	
			Increase	Decrease
<b><u>CURRENT ASSETS</u></b>				
Inventories	1532455.00	2161071.00	628616.00	—
Sundry debtors	2201381.00	4958527.00	2757146.00	—
Cash & Bank balance	493742.00	1205660.00	711918.00	—
Other current assets	148822.00	78260.00	—	70562.00
Loans and Advances	186699.00	1196128.00	1009429.00	—
(A)Total Current Assets	<b>4563099.00</b>	<b>9599646.00</b>		
<b><u>CURRENT LIABILITIES</u></b>				
Sundry creditors	1673515.00	3492127.00	—	1818612.00
Provisions	368028.00	395638.00	—	27810.00
(B)Total Current Liabilities	<b>2041543.00</b>	<b>3887765.00</b>		
(A)-(B) Net Working Capital	<b>2521556.00</b>	<b>5711881.00</b>		
Increase in Working Capital	<b>3190325.00*</b>	—	—	<b>3190325.00*</b>
<b>TOTAL</b>	<b>5711881.00</b>	<b>5711881.00</b>	<b>5107109.00</b>	<b>5107109.00</b>

Particulars	As on 31-3-2017	As on 31-3-2016	Effect on working capital	
			Increase	Decrease
<b><u>CURRENT ASSETS</u></b>				
Inventories	2161071.00	3336430.00	1175359.00	—
Sundry debtors	4958527.00	1805948.00	—	3152579.00
Cash & Bank balance	1205660.00	1033152.00	—	172508.00
Other current assets	78260.00	189683.00	111423.00	—
Loans and Advances	1196128.00	2712404.00	1516276.00	—
(A)Total Current Assets	<b>9599646.00</b>	<b>9077617.00</b>		
<b><u>CURRENT LIABILITIES</u></b>				
Sundry creditors	3492127.00	2649781.00	842346.00	—
Provisions	395638.00	179298.00	216340.00	—
(B)Total Current Liabilities	<b>3887765.00</b>	<b>2829079.00</b>		
(A)-(B) Net Working Capital	<b>5711881.00</b>	<b>6248538.00</b>		
Increase in Working Capital	<b>536657.00*</b>	—	—	<b>536657.00*</b>
<b>TOTAL</b>	<b>6248538.00</b>	<b>6248538.00</b>	<b>3861744.00</b>	<b>3861744.00</b>

Particulars	As on 31-3-2016	As on 31-3-2015	Effect on working capital	
			Increase	Decrease
<b>CURRENT ASSETS</b>				
Inventories	3336430.00	2622901.00	—	713529.00
Sundry debtors	1805948.00	3787274.00	1981326.00	—
Cash & Bank balance	1033152.00	1720815.00	687663.00	—
Other current assets	189683.00	206206.00	16523.00	—
Loans and Advances	2712404.00	2666232.00	—	46172.00
(A) Total Current Assets	9077617.00	11003428.00		
<b>CURRENT LIABILITIES</b>				
Sundry creditors	2649781.00	2658999.00	—	9218.00
Provisions	179298.00	1230900.00	—	1051602.00
(B) Total Current Liabilities	2829079.00	3889899.00		
(A)-(B) Net Working Capital	6248538.00	7113529.00		
Increase in Working Capital	864991.00*	—	—	864991.00*
<b>TOTAL</b>	<b>7113529.00</b>	<b>7113529.00</b>	<b>2667512.00</b>	<b>2667512.00</b>

Particulars	As on 31-3-2015	As on 31-3-2014	Effect on working capital	
			Increase	Decrease
<b>CURRENT ASSETS</b>				
Inventories	2622901.00	2360611.00	—	262290.00
Sundry debtors	3787274.00	4355365.00	568091.00	—
Cash & Bank balance	1720815.00	1978938.00	258123.00	—
Other current assets	206206.00	185585.00	—	20621.00
Loans and Advances	2666232.00	3066187.00	399935.00	—
(A) Total Current Assets	11003428.00	11946666.00		
<b>CURRENT LIABILITIES</b>				
Sundry creditors	2658999.00	3057849.00	—	398850.00
Provisions	1230900.00	1107810.00	123090.00	—
(B) Total Current Liabilities	3889899.00	4165659.00		
(A)-(B) Net Working Capital	7113529.00	7781007.00		
Increase in Working Capital	667478.00*	—	—	667478.00*
<b>TOTAL</b>	<b>8270981.00</b>	<b>8270981.00</b>	<b>1349239.00</b>	<b>1349239.00</b>

- M.Y.Khan / P.K Jain, Financial Management Text, Problem's Cases, 5TH Edition, Tata McGraw –Hill Publishing Company Limited, New Delhi, 2007.
- Prasanna Chandra, Financial Management Theory and Practice, 5TH Edition, Tata McGraw –Hill Publishing Company Limited, New Delhi, 2001.
- Annual Report of Bahety Chemicals & Minerals Private Limited.

#### WEB SITE VISITED

www.google.com  
www.wikipedia.org

#### BIBLIOGRAPHY TEXT BOOKS