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A Study on Working Capital Management of NGO$_s$ in Telangana

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Abstract

Non-profit organizations and charities run development and welfare programs and have been successful in Telangana. NGOs work on many social issues relating to human rights and legal rights for disadvantaged and depressed women, girls, single or divorced women, widows, poor and poor women.

NGOs in Telangana, in collaboration with Working Capital Operations and many philanthropic organizations, carry out various activities for the development of the depressed people of the society.

Many NGOs need Telangana Working Capital, non-profit organizations and charities working for the welfare and development of children.

Some NGOs are fighting for farmer's basic rights and their agriculture land. These organization are also trying to protect tribal's land by tribal land protection laws to prevent the misuse of tribal land

Keywords; *Cash flow from operating activities, accounts payable, cash conversation cycle, asset performance.*

INTRODUCTION

Introduction The maximum level of capital must be maintained for the advantage of daily payments in each business. Any business cannot thrive when there's no satisfactory capital level. Businesses face scarcity of resources just in case of capital shortage. But it should even be remembered that capital in excessive quantity can cause undue cost.

The goal of working capital management is to manage the firm's current assets and liabilities in such a way that a satisfactory level of working capital is maintained. Operating cycle implies the continuing flow from cash to suppliers, to inventory to accounts receivable and back in to cash. The management of the firm must make sure that the returns from the funds invested in building capital aren't but the returns the net profit is a source of working capital to the extent that it has been earned in cash the management of business capital is becoming more and more important because it features a profound the need for working capital cannot be overemphasized. Given the objective of financial decision making to maximize the shareholders' wealth, it is necessary to generate sufficient profits.

Higher capital in current assets may end in lower profitability thanks to the value of funds. Capital management is taken into account the foremost important function of finance, which is a large properly managed, gross capital means current asset. Networking Capital is the difference between current assets and current liabilities or alternatively the portion of current assets financed with long term funds. Assets which will be converted into cash or used for a shorter period of your time during normal operations are said to be current assets without depreciation. Current assets change form fairly often. Current assets exceed the current liabilities, the excess must be financed with long- term funds and versatile business operations the lifeblood of

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business. Within a non-governmental organization, say one year during a shorter period. Working Capital Management's mission is to make sure maximum capital in current assets. In other words, capital management intends to scale back the investment in current assets to the extent possible. However, the overall operations of the corporate shouldn't be adversely affected. If the company's general operations are adversely affected, the reduction in investment in current assets is vainly.

Generally, no company can function without capital. Suppose a producing company starts business with a particular amount of money. This cash is invested to shop for staple. The purchased staple is processed with the assistance of varied infrastructure, labor, machinery, etc. These final products are marketed on a credit basis, thereby creating receivables. And when the receivables are paid to the corporate, the funds are generated again. As such, the corporate features a cycle of turning cash available into cash. This cycle is understood because the capital cycle.

Between each of those steps, there's a while the gap was involved. The entire need for capital arises thanks to this era of your time. This point gap Inevitable, capital is inevitable. Have knowledgeable interest in finance minimizing this point gap to take care of capital properly.

Businesses can survive without making profits but might not live proper liquidity. Hence,To maintain liquidity, all business enterprises must manage their capital adequately Working Capital Management

The relationship between current assets and current liabilities of a firm is named capital management. "Working capital management is inter-related between trying to manage current assets and liabilities. The difference between the investment decisions of current assets and therefore the financing of capital is habitual."

Main aspects of capital management:

(1) Determining current assets

(2) As a company grows, it is logical to expect that a larger amount of working capital required. It is, of course, difficult to determine precisely the relationship between the growth in the volume of business of a company and the increase in its working capital.

Diversity Current Assets on Current Liabilities"L.J. Gutman also described capital as part. The company's current assets are financed from long-term funding. "To understand capital management, it's important to understand and understand parts of assets and current liabilities.

Current Responsibilities

The business creates an obligation to get staple and other important items of credit, referred to as creditors or payables. Until payments are made to creditors, it's classified

Under the Liabilities section of the record. All liabilities are described as current liabilities

Payment within the near future for payment.

SCOPE OF STUDY

Working capital is backbone of the enterprises, as it provides number of services

The present impact of "Working capital management of NGOs in Telangana"

• It required for uninterrupted business

• To essential run day to day activities of NGOs in Telangana

• To ensure maximizing the wealth of the NGOs in Telangana

• To meet short term obligation of NGOs in Telangana

REVIEW OF LITERATURE

1. Bhat v. V. (1972)'s capital Finance approach to assessing applications has been widely touched upon Big manufacturing concerns. Banks, when giving short-term finance, Focus their attention on the effectiveness of security and therefore the ability to repay. After being satisfied these two criteria they are doing not usually assess intimately the work of concerns.

2. Cauvery v. S. (1985) based his work on RBI's studies on the financial aspects of huge public limited Companies. He observed that the Indian industry was largely failing the task is to vary its capital financing method in accordance with the prescribed terms Committee. Capital has shown some investment within the middle of management's

position in 1975-79 and 1979-83, the industry was unsuccessful in expanding its long-term funding base desired range. The author concludes with an observation, though given sufficient time Industry and industry to regulate capital structure to modify from first to second the progress made towards this is often but what's sought within the second working method Capital finance.

3. Bhattacharya Hrishikesh (1987) seeks growth a comprehensive theory and dealing tool of capital Management from a system perspective. Consistent with this study, capital is usually wont to ask Capital goods contains a good sort of goods, including a spread of machinery, plants, houses, Process of accessories, raw materials and materials. A company's finance manager looks for this stuff on the assets side of record.

OBJECTIVES OF THE STUDY

1) Study and evaluate the management of selected NGOs Institutions in Telangana

2) Comparing selected NGOs with reference to capital Management

3) Recommend preliminary resolutions on capital management in NGOs in Telangana

FINDINGS

Working capital is primarily required due to non-synchronous nature of the expected cash inflows and required cash outflows.

A good working capital indicates that the firm has the ability to pay short-term Liabilities.

The assets of a company are Capital on the profitability of NGOs.

SUGGESTIONS

The recommendation for the development of the corporate is often used after the analysis of the report on the study and analysis of investment. I might wish to recommend.

The corporate must increase funds through short-term resources for short-term purposes, which is economical compared to long-term funding.

The company must take hold of the borrower's collection period, which may be a major component of current assets.

The organization must take hold of the funds balance because it's non-cash assets and expense F funds.

CONCLUSION

It is a crucial part of finance a capital Management has revealed the present ratio According to organizational practice but the liquidity Situation of the NGOs an increasing trend.

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