A Project Report
On

"A Comparative Study on Liquidity Position of Selected IT Companies in India"

Submitted to

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Master of Commerce
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ಅಂಜುಮನ್ ಕಲಾ, ವಿಜ್ಞಾನ, ವಾಣಿಜ್ಯ ಮಹಾವಿದ್ಯಾಲಯ ಹಾಗೂ ಸ್ನಾತಕೋತ್ತರ ಕೇಂದ್ರ
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CERTIFICATE

This is to certify that the Project Work titled **"A Comparative Study on Liquidity Position of Selected IT Companies in India"** is an original record done by **Mr. Khoka Farhan with** Registration No. **P02JK21C0001,** in partial fulfillment of the award of Degree of **Master of Commerce** under **Karnatak University, Dharwad** during **2022-23.** The project satisfies the academic requirements in respect of project work prescribed for the Degree of Master of Commerce and is a record of his own independent work.

This project is based on the studies carried out by him and has not submitted to any other University or Institution for the award of any degree or diploma.

Project Guide

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INTRODUCTION

1.1: Introduction

The IT industry has transformed India's economy and global presence, positioning itself as a major player in the technology market. Since the early 1980s, multinational companies outsourcing their software development and IT services to Indian firms have provided opportunities for Indian companies to showcase their technical capabilities, leading to the establishment of numerous software development and IT services companies across the country.

India's IT industry primarily focuses on providing a wide range of services such as software development, IT consulting, system integration, application maintenance, and IT-enabled services like business process outsourcing (BPO) and knowledge process outsourcing (KPO). With its vast talent pool and competitive costs, India has become a preferred destination for global companies looking to outsource their IT requirements.

The skilled workforce of India's IT industry comprises a significant number of engineering and computer science graduates each year. These professionals possess expertise in various domains, including software development, cloud computing, cybersecurity, artificial intelligence (AI), data analytics, and mobile applications. Their skills, combined with the cost-effectiveness of services, have made Indian IT companies highly sought after by clients around the world.

Several cities in India have emerged as major IT hubs, fostering innovation, collaboration, and technological advancements. Bengaluru, Hyderabad, Chennai and Pune are notable IT destinations known for housing.

Looking ahead, the Indian IT industry is poised for further growth and innovation. Emerging technologies like AI, blockchain, IoT, and big data analytics present immense opportunities for Indian IT companies to expand their offerings and stay at the forefront of technological advancements. However, challenges such as increasing competition, the need for continuous upskilling, and data security concerns must be addressed to sustain growth and maintain a competitive edge.

5.3: CONCLUSION

Information technology industry is one of the leading industries in India. It helps the economy in many ways, such as providing employment opportunities, increasing standard of living of the people by paying high salary, considerable contributing to national GDP, bringing foreign currency and so on.

Liquidity is a sensitive aspect to manage in the area of financial management. Hence, the study has been made with the objective of analyzing liquidity position of selected Information Technology companies in India. For study purpose we take Infosys and TCS company both these are leading companies in the Information and Technology industry. The study found the liquidity position of the both the companies. The study reveals that the liquidity position of both the company is good in terms of current ratio, quick ratio, absolute liquidity ratio. Although the ratio is good in both these companies, in comparing these two companies, the TCS has good liquidity position compared to Infosys. In considering the cash ratio, it reveals that the both the company does not have enough cash to meet it's short term obligations. And cash ratio of TCS is very poor compared to Infosys. Apart from cash ratio all other ratio indicates that both the companies have good liquidity position and it indicates good short term solvency position of the company and it is understood that both the company have the ability to meet it's current liabilities. In considering all the ratios the study conclude that both the company have sound financial position: It means both the company's financial health is good.