

ORGANISATION STUDY REPORT ON
“VARUN PIPING SYSTEM”

Submitted by

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USN:- 4AL21BA022

Submitted to



VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

In partial fulfillment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

INTERNAL GUIDE

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PG DEPARTMENT OF BUSINESS ADMINISTRATION

ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

SHOBHAVANA CAMPUS, MIJAR, MOOBBIDRI.



Ref.No:- VPS/ Student Training/2022-23/002
23RD November 2022

CERTIFICATE



This is to Certify that **Ms. CHAYA** , Reg.No.USN
4AL21BA022 MBA Student of Alva's Institute of Engineering
and Technology, Mijar, Moodabidre, has completed the Project
Work on the subject of **"Organisation study"** at **Varun
Piping Systems, Manipal**, during the period from 20.10.2022 to
21.11.2022 as a part of her curriculum. During this period her
conduct and performance are found good.
We wish her all success for her future endeavours.

For Varun Piping Systems


Partner

M Vallabh Bhat, B.E.(Mech)



 **VARUN PIPING SYSTEMS** 

(Merges of Plastubes Corporation Inc., Varun Plastics, Ganga Plastics and Sindhu Plastics)

Regd. Office: Plot No - 15P, Shivalli Industrial Area, Manipal, Karnataka - 576 104, INDIA

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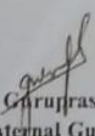
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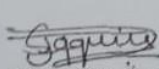
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CERTIFICATE

This is to certify that **CHAYA** bearing USN 4AL21BA022, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "VARUN PIPING SYSTEM, MANIPAL" is prepared by her under the guidance of **Mr. Guruprasad Pai**, Assistant Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.


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DECLARATION

I, CHAYA hereby declare that the internship titled “VARUN PIPING SYSTEM, MANIPAL” submitted by me to the department of management, Vishveswaraya technological university in partial fulfillment of requirement of MBA programme is bonafide work carried by me under the guidance of Mr. Guruprasadpai, lecturer at Alva’s institute of engineering and Technology, Mijar.

The information provided by me is authentic to the best of my knowledge and is not submitted to any other university/ institution for the award of any degree/diploma.

CHAYA

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(4AL21BA022)

ALNOWLEDGEMENT

Gratitude is receptive energy. I would like to thank people who have helped me throughout, without whose support my internship would have been an incomplete one. Therefore, I would like to extend our heartfelt thanks to them.

I wish to take this opportunity to express my sincere expression of gratitude to everyone who helped me in the completion of work.

I would like to express my sincere thanks to principal DR.PETER FERNANDES, AIET, MOODBIDRI. And I express my deep sense of gratitude to my internal guide MR. GURUPRASAD PAI, for constant support and encouragement to carry out my report successful without much difficulty.I extend my sincere thanks to my external guide for their guidance

Lastly, I would like to extend gratitude to the faculty members for their help and support, and I am thankful to my family and friends who have been a constant source of inspiration throughout the preparation of this internship.

CHAYA

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EXECUTIVE SUMMARY

The report is about the internship at VANUN PIPING SYSTEM. Which is located in manipal, Udupi. Main activities is manufacturing quality piping system use in water supply through plastic pipes for domestic as well as agriculture purpose.

The report briefly about the company, vision, mission, nature of business, product and services, SWOT analysis, financial statements etc...

The data required for the study has collected from primary as well as secondary source. The primary source of data collection is through discussion with the managers. A secondary source of data through company websites, magazines etc...

The internship carried out in VARUN PIPING SYSTEM was successful in achieving the specific objectives. It helped to familiarize with the organization and its functioning and familiarize with product and services offered by the company.

CHAPTER 1

**INTRODUCTION ABOUT THE ORGANIZATION STUDY AND
INDUSTRY**

Organization study is the organized study and careful application of knowledge about how people act within an organization. Organization study is the systematic learning process about an organization to understand the different roles of each member in the organization. The study has been conducted at VARUN PIPING SYSTEM, located at Manipal, Udupi. The main aim of the study is to study the operational activity and functions through careful observation. The study has been conducted at to gain knowledge and real time experience in an organization. The study helped to understand how the key business processes are carried out in an organization. The study helped me in improving my practical knowledge.

The organization study is undertaken during 30 days. The main purpose of the study is to know how an organization works and to gain experience and expose ourselves to corporate policies, ethics, culture, practices, procedures and policies of the company.

OBJECTIVE OF THE STUDY:

The organization study was carried out in VARUN PIPING SYSTEM, MANIPAL is to achieve following objectives;

- To familiarize with the organization and its functioning
- To study the different department and their functions
- To familiarize with the product and services offered by the company
- To understand the financial performance of the company

INDUSTRY PROFILE :

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decades. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry. India is

gradually progressing on the road to industry 4.0 through the government of India's initiatives like the national manufacturing policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing sector at par with global manufacturing standards.

Manufacturing has emerged as one of the high growth sectors in India. Prime minister of India, Mr. NARENDRA MODI, launched the 'make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. Government aims to create 100 million new jobs in the sector by 2022.

MARKET SIZE:

India's gross domestic product at current prices stood at rs.51.23 lakh crore in the first quarter of 2021-22. The manufacturing GVA at current prices was estimated at US\$ 77.47 billion in the third quarter of FY22 and has contributed around 16.3% to the nominal GVA of during the past ten years. India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy.

As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to 6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US\$ 7 billion in 2021 to US\$ 15 billion in 2025. As per the survey conducted by the federation of Indian chambers of commerce and industry(FICCI), capacity utilization in India's manufacturing sector stood at 72% in the second quarter of FY22, indicating significant recovery in the sector.

GOVERNMENT INITIATIVES:

The government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. They are,

- In the union budget 2022-23
 - Ministry of defence has been allocated RS. 525,166 crore

- The government allocated RS. 2403 crore for promotion of electronics and its hardware manufacturing.
- The government approved a PLI scheme for 16 plants for key starting materials. The establishment of these 16 plants would result in a total investment of RS. 348.70 crore.
- India outlines a plan in August 2021 to reach its goal of US\$ 1 trillion in manufactured goods exports.
- In July 2021, the government launched six technology innovation platforms to develop technologies and thereby, boost the manufacturing sector in India to compete globally.
- In India, the market for grain oriented electrical steel sheet manufacturing is witnessing high demand from power transformer producers, due to the rising demand for electric power and increasing adoption of renewable energy in the country.

INTRODUCTION TO PIPING SYSTEM:

A pipe can be defined as a tube made of metal, plastic, wood, concrete, or fiberglass. Pipes are used to carry liquids, gases, slurries or fine particles. A piping system is generally considered to include the complete interconnection of pipes, including in-line components such as pipe fittings and flanges. Pumps, heat exchangers, valves and tanks are also considered part of piping system.

The material to be used for pipe manufacture must be chosen to suit the operating conditions of the piping system. Guidance of selecting the correct material can be obtained from standard piping codes.

A fitting is used in pipe systems to connect straight pipe sections, adapt to different sizes or shapes and for other purposes, such as regulating fluid flow. Pipe fittings require money, time, materials and tools to install and are an important part of piping systems.

INTRODUCTION OF THE COMPANY

Varun piping systems in manipal, udupi is known as satisfactorily cater to the demands of its customer base. The business came into existence in 2000 and has, since then, been a known name in its field. It stands located at No. 35-B, shivalliindustial area, manipal-576104. The business strives to make for a positive experience through its offerings. The accepted modes of payment such as cash, master cards, visa card, debit card, cheques, American express card, credit card make every business transaction easy and seamless, contributing to making the entire process even more effective.

Customer centricity is at the core of varun piping systems in manipal, and it is this belief that has led the business to build long term relationships. Ensuring a positive customer experience, making available goods and services that are of top notch quality is given prime importance. It is one of the players in container, face mask, hand sanitizer, water bottle, medical equipment to name a few

India's leading B2B market place, ensures engaging in business activities is a seamless process for small and medium enterprises as well as large businesses. In a wake to enable these businesses to reach their audience, this portal lets them showcase their audience

CHAPTER 2

ORGANIZATION PROFILE

ORGANISATIONAL PROFILE

This chapter describes the organization where the internship was undertaken. The chapter informs the reader about the background of the company, nature of business, vision, mission, quality policy, product/services profile, ownership pattern, achievements/awards, if any, and future growth and prospects.

Company background

It was in the year 1966, Sri m. Somashekarbhat, a b.com graduate from Mysore university and an enterprising young entrepreneur founded Varun group of concerns and established a small scale unit by name plastubex corporation, Udupi for manufacturing low density polyethylene lay flat tubings.

This was the first plastic unit in undivided dakshina kannada district of Karnataka , truly a pioneering effort by the founder. This firm created huge goodwill and established a vast market for the product in Karnataka and also in the state of kerala. Sri M. Vishwanathbhat, a mechanical engineer from NIE Mysore, his younger brother, joined him in 1972, in the year 1987, the brother started a firm Varun plastics, in Udupi for manufacturer of rigid PVC pipes. The firm was an ISO 9001:2008 certified. Our product rigid PVC pipe was certified by BIS as per IS: 4985:2000.

In the year 2000, the group diversified its activity by establishing Sindhu plastics, in Manipal, for the purpose of manufacture & exports of flexible PVC pipes, HDPE pipes, HDPE sprinkler pipes.

In 2009, the group established a unit plastubex corporation inc., to manufacture higher dia HDPE pipes (110mm -450 mm OD) to be used specially for urban & rural drinking water supply projects. In july 2016, in view of efficient utilization of available resources, the group decided to merge all its firms into one single entity VARUN PIPING SYSTEM, with its head office in manipal.

NATURE OF BUSINESS:

Varun piping system is a manufacturing industry, situated in manipal, covering an area of 130000 sq.ft with state of the art plant and machinery with a capacity of around 8300 MT per annum for processing plastic pipes.

VPS a plastic pipe insustry manufactures quality piping system dor use in water supply through plastic pipes for domestic as well as agriculture purpose.

VISION, MISSION, QUALITY PROFILE

VISION OF INDUSTRY:

“to be known in the industry for our uncompromising values, impeccable service and the top notch quality of our product”.

MISSION:

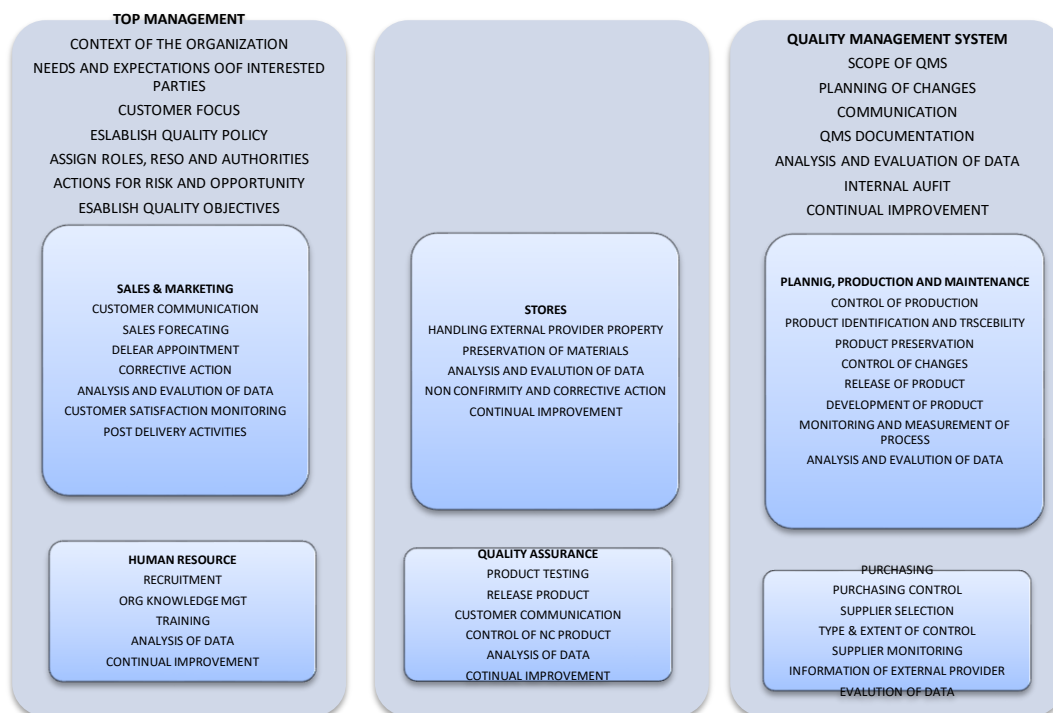
- To maintain a steady progression keeping intact our ethics and core values that have sustained us for over 5 decades
- To constantly improve our processes to maintain as well as enhance the quality of our product
- To provide employment opportunities to the local community through our growth even as we maintain a high retention rate of our trusted, trained and efficient work force

QUALITY POLICY:

Company have a strong set of values that helps to cater superior quality products to clients and made stand apart.

- Innovation – it is the key to our success and be termed as the leaders in this arena. Innovation during the process has helped us to evolve over the years.
- Relationship –we cherish the relationship we have with our clients and employees. It helps us to improve our processes and cater superior quality product.
- Excellence –our continuous effort has helped us to excel in the manufacturing process. The processes have helped us to create a global and domestic presence.
- Teamwork –the joint effort has helped us to create a niche for our self in the industry. We ensure a bright future for those associated with us.

WORKFLOW MODEL:



PRODUCT SERVICES PROFILE

Adherence to strict quality controls in standardized production method backed up with customer friendly solutions over four decades has firmly established a strong goodwill network of users and suppliers enabling varun piping systems to become a quality choice in whole of south india.

➤ Varun rigid PVC pipes

Non corrosive, light in weight, quick to install, smooth surface and low friction loss, good hydraulic characteristics, resistant to biological growth like green algae,durable.

Application : irrigation piping, water mains, hot and cold water distribution, drains, waste water disposal, conduit.

Size : 20mm OD – 110mm OD

➤ **Varunflo HDPE pipes**

Long life of 50 years, strong, flexible, Non corrosive, leak free joints for high pressure application, used in trenchless installation, eco friendly

Application: potable water supply, UGD systems sewerage lines, gravity mains, rising mains, lift irrigation, sprinkler irrigation, lifting from bore well, HDD application

Size range :20mm OD – 450mm OD

➤ **Flexible PVC suction hose pipes**

Features: Flexible, light weight, easy to carry, durable

Application :suction & delivery in domestic, agricultural and industrial pump sets, water distribution civil construction, oil & water tankers, sanitation, watering station and chemical plants

Size : ½”ID – 6”ID

➤ **HDPE sprinkler pipes**

Creating a dynamic company for the continuous and exploration and develop opportunities.

Features : light weight, easy to handle and carry, smooth surfaces , detachable joints, durable

Application: sprinkler irrigation in agriculture & horticulture

Size: 63mm,75mm

➤ **HDPE fittings (high density polyethylene pipe)**

Water distribution & house service connection

➤ **Rigid PVC fittings**

Providing innovative and cost effective piping solution with quality, innovation and service

OWNERSHIP PATTERN:

A family concern having two first generation entrepreneurs with a strong vision and business ethics, followed by four technically qualified second generation entrepreneurs have successfully managed the transformation of varun group since the past four decades.

Team of highly qualified professionals and trained employees numbering around 100, work with utmost dedication in rendering their services to meet the goals of the company. With a customer base of more than 400 esteemed clients, including govt agencies, work with total dedication, applying specialized and innovative skills to add to the greatest value of customer satisfaction.



M. SOMASHEKAR BHAT

(FOUNDER)



M CHITTARANJAN BHAT M VAMAB BHAT M VALLABHA BHAT

(MANAGING PARTNER) (SALES ENQUIRY)

FUTURE GROWTH AND PROSPECTS

- Main target of varun piping system is increase or expansion of its activity in different units
- It also planning to increase sales by advertisements, and conducting marketing research for knowing customer wants.
- Sales turnover increase in next 5 year to double to existing sales
- Extending reality technologies such as augmented and virtual reality will play an increasing important part of business, from enhancing product design, better production planning.

MAJOR PROJECTS:

BIJAPUR, HUBLI-DHARWAD,KARNATAKA- HDPE pipeline for water supply, project executed by Karnataka urban water supply and drainage board

IIKAL, BELGAUM,KARNATAKA- HDPE pipeline for 24*7 water supply ADB assisted, project executed by KUIDFC, government of Karnataka.

NANJANGUD, KARNATAKA- HDPE pipeline for 24*7 water supply, project executed by KUIDFC, government of Karnataka.

BANTWAL- HDPE pipeline for water supply, project executed by Karnataka urban water supply & drainage board.

KAROPADY- HDPE pipeline for water supply, project executed by rural water supply and sanitation board

NAGPUR, MAHARASHTRA- HDPE pipeline 24*7 water supply, project executed by Nagpur municipal council

RAICHUR, GADAG, HOSPET, HAVERI, BALLARI, KARNATAKA- for ADB assisted 24*7 water supply, project executed by KUIDFC, government of Karnataka

NAGARKOIL,KANYAKUMARI, TN- providing water supply improvement scheme to NAGARKOIL municipality, executed by tamilnadu water supply and drainage board.

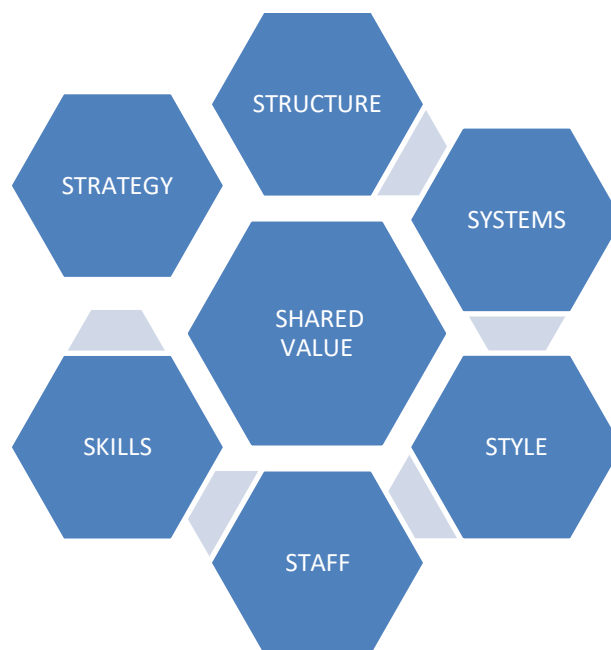
CHAPTER 3

**MCKINSEY'S 7S FRAMEWORK MODEL AND PORTER'S FIVE
FORCE MODEL**

MCKINSEY'S 7S FRAME WORK

The MCKINSEY 7s model is a strategic tool and framework that helps managers and business assess their performance. The MCKINSEY 7s model identifies 7 key elements for an organization that need to be focused and aligned for successful change management processes as well as for regular performance enhancement.

The MCKINSEY 7s model is a concept used to describe an internal evaluation tool for business. The seven key elements of the model are system, strategy, structure, skill, staff, style, and shared values. The seven key components are divided as a hard components and soft components. The hard component consist of system, strategy and structure, where as soft component consist of share value, staff, style and skills.



STRATEGY:

The strategic direction and the overall business strategy for varun piping system are clearly defined and communicated to all the employees and stakeholder. This helps the organization to manage performance, guide actions, and devise different tactics that are aligned with the business strategy.

Guiding behavior for goal attainment:

The strategic direction is also important in helping the business guide employee, staff, and stakeholder behavior towards the attainment and achievement of goals. Smart goals are set with short and long term deadlines in accordance with the business strategy. The business strategy help the business grow.

Competitive pressures:

Varun piping system's strategy also takes into consideration the competitive pressures and activities of competitors. The strategy addresses these competitive pressures through suggestive measures and actions to address competition via strategic tactics and activities that ensure sustainability to varun piping system via adapting to market changes and evolving consumer trends and demands.

Changing consumer demands:

An important aspect of the strategy is that it takes constant consideration the changing consumer trends and demands, as well as the evolving consumer market patterns and consumption behavior. This is an important part of the strategic direction at varun piping system, as it allows the company to remain competitive and relevant to its target consumer groups, as well as allow the company to identify demand gaps in the consumer market. The company then strategically addresses these gaps through product offerings and marketing activities which give the company successful and leading edge over other patterns in the market.

Flexibility and adaptability:

The strategy at varun piping system is flexible and adaptable. This is an important aspect of the strategic direction and strategy setting. Rigidity in strategy leads a company and a business to often become stagnant and obstructs advancement and progression with evolving changes in the consumer markets.

STRUCTURE:**Organization hierarchy:**

Varun piping system has a flatter organization hierarchy that is supported by learning and progressive organizations. With lesser managerial levels in between and more

access to the senior management and leadership, the employees feel more secure and confident and also have higher access to information. Moreover, the flatter hierarchy also allows quicker decision making processes and increases organization commitment in the employees.

Inter departmental coordination:

The company has high coordination between different departments. The companies department often form inter department teams for projects and tasks that require multiple expertise. All coordination between different department is effective and organized. It has a systematic process for initiating and monitoring coordination between departments to ensure smooth work operations and processes and goal attainment.

Centralization and decentralization:

The company has a hybrid structure between centralization and decentralization like many progressive organization. Varun piping system largely supports decentralization decision making. Job roles are designed to be carried out with responsibility and employees often set their goals with mutual coordination and understanding with the supervisors.

However, the company is also centralized in making sure that supervisors oversee and approve of the various efforts and tactics that employees choose to ensure that they are aligned with the organization strategy and values.

Communication:

Varun piping system has a developed and intricate system for ensuring communication between employees and different managerial levels. The communication system at varun piping system enhance the overall organization structure. The systematic, defined and organized communication allows an easy flow of information and ensures that no organization tasks and goals are compromised because of a lack of communication or misunderstanding.

SYSTEMS:

Organizational systems in place:

Company has defined and well demarcated systems in place to ensure that the business operations are managed effectively and that there are no conflicts or disputes. The systems at varun piping system are largely departmental in nature, and include,

- Human resource management
- Finance
- Marketing
- Operations
- sales
- supply chain management
- strategic leadership

Defined controls for systems:

Each of the defined and demarcated systems at varun piping system has especially designed tools and methods as controls for evaluating performance and goal attainment. These controls are measures are designed specially in different departments based on the nature of their tasks and responsibilities. Moreover, each department also designs specific controls for members for performance evaluation, as well as for inter departmental tasks and responsibilities.

Monitoring and evaluating controls

Company continually evaluates its systems through the designed controls. This monitoring of the performance is continual and ongoing. This is largely done through observation and informal discussions. Feedback to employees and overall department heads is informally given regular as and when is required. Formal evaluation of performance is also conducted semi- annually or quarterly, depending on the need and the urgency of the projects and assigned tasks. This is a formal process that is undertaken by supervisors and managers to ensure the identification of performance lags, and suggestive means of improvement.

Internal processes for organizational alignment:

The company has also special processes and methods for ensuring that all departments and systems within the organization are aligned and working in harmony towards the greater business goals and targets. This is made possible through ensuring that all systems are designing and working towards goals and targets specific to their expertise under the broader business vision and strategy. Moreover, the strategic leadership also ensures that all systems are allocated with resources and set specific targets to achieve similar business goals in any specific period

SHARED VALUE:

Core values:

The core values at varun piping system are defined and communicated to foster a creative and supportive organization structure that will allow employees to perform optimally, and enhance their motivation and organizational commitment. includes,

- Creativity
- Honesty
- Transparency
- Accountability
- Trust
- Quality

Corporate culture:

The company encourages an inclusive culture that celebrates diversity. The company ensure that its organization culture is supportive of diversity and has internal policies to reduce incidences of discrimination. The corporate culture of company also encourages innovation and creativity by allowing independence for growth to individuals and teams, thus helping them refine their careers as well as personalities. Lastly, it also has a supportive leadership which works towards increasing employee motivation and job satisfaction by giving way to visibility and accessibility

Task alignment with values

The company ensures that all its job tasks and roles are aligned with the core values that the company propagates. This means that all activities, tactics, and strategic tactics employed by varun piping system will reflect its core values, and will not deviate away from these. This is to ensure a consistent and reliable brand image, as well as an honest organization culture.

STYLE:

Management/ leadership style

The company has a participative leadership style. Though a participative leadership style, it is able to engage and involve its employees in decision making processes and managerial decisions. This also allows the leadership to regularly interact with the employees and different managerial groups to identify any potential conflicts for resolution, as well as for feedback regarding strategic tactics and operations. Though its participative leadership , is able to enhance employee motivation and increase organizational commitment and ownership among employees as well as other stakeholders.

Effectiveness of leadership style:

The participative leadership style is highly effective in achieving the business goals and vision of the organization. Employees feel to be active members of the organization. Who are valued for their suggestions, feedback and input. Moreover, through participative leadership, leaders and managers are able to identify current and potential conflicts within the organization and actively work to resolve them as soon as possible.

Cooperation VS competition internally:

With its supportive and encouraging organizational culture, it gives way to internal collaboration and cooperation between employees, systems, teams and departments. This cooperation and collaboration is important since its operations are spread globally and also because tasks and responsibilities within the company often require inter departmental feedback and input.

STAFF:

Employee skill level VS business goal:

Company has a sufficient number of employees, for different job roles and position are hired internally as well as externally, depending on the urgency and the skill level

required. Based on this, it is seen that company has employees who are skilled as per the requirements of their job roles and positions. All job roles and positions are designed to facilitate the achievement of business goals, and as such, employee skill level is sufficient to achieve the business goals of the company.

Number of employees:

The company has highly qualified professionals and trained employees, numbering around 100 employees, work with utmost dedication in rendering their services to meet the goal of the company. The team member and employees are the most important part of business success of the company.

Gaps in required capabilities and capacities:

The company has a well- defined system for identifying potential needs of capabilities and capacities for the organization. The human resource function of the business has a systematic process that aligns all other departments to identify potential vacancies or skill gaps.

SKILLS:

Employee skill:

The company has a commendable workforce with high skills and capacities. All employees are recruited based on their merit and qualifications. The company itself on hiring the best professionals and grooming them further to facilitate growth and development

Employees skills VS task requirement :

Company has defined tasks and job roles and hires and trains employees for skill levels accordingly with respect to those. The company ensures that all its job requirements are met and that employees have the sufficient skills to perform their respective jobs in accordance with the values and culture as well as the business goals and strategy of the company

Skill management:

Company pays particular attention to enhancing the skills and capacities of its employees. The company focused on personal as well as professional growth for its employees and work accordingly with them.

Company's competitive advantage:

The human resources is one of the core competitive advantages of the company. The skills of employees are developed specifically for job roles and requirement and provides a competitive benefit to the company

PORTERS'S FIVE FORCE MODEL:

Porter's five force model that identifies and analyzes five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths, Five forces analysis is frequently used to identify an industry's structure to determine cooperative strategy.

Porter's model can be applied to any segment of the economy to understand the level of competition within the industry and enhance a company's long term profitability. The five force model is named after Harvard business school professor, Michael E porter.



Rivalry among existing competitors:

The rivalry among existing firms shows the number of competitors that give tough competition to the industry it face strong pressure from the rival firm, which can limit each others growth potential profitability in such industry is low as firms adopt aggressive targeting and pricing strategies against each other.

The rivalry among existing firms will be low for varun piping system

- There are only limited number of players in the market
- The industry is growing at fast rate
- There is a clear market leader
- The exist barrier are low, which means firms can easily leave the industry without incurring huge losses.
- The economic switching costs for consumers are high.

Similarly, there are some factors that increase the rivalry among existing firms, for example, the company will face intense rivalry among existing firms if market players are strategically diverse and target the same market. The rivalry will also be intense if customer are not loyal with existing brands and it is easier to attract others customers due to low switching costs. Competitors with equal size and offering undifferentiated products with slow industry growth tend to adopt aggressive strategies against each other. These all factors make the rivalry among existing firms a major strategic concern of the company.

Bargaining power of suppliers:

Bargaining power of suppliers in the porter 5 force model reflects the pressure exerted by suppliers on business organization by adopting different tactics like reducing the product availability, reducing the quality or increasing the prices. When supplier have strong bargaining power, it costs the buyers. Moreover, high supplier bargaining power can increase the competition in the industry and lower profit and growth potential for the company. Similarly, weak supplier power can make the industry more attractive due to high profitability and growth potential.

Bargaining power of supplier will be high,

- Suppliers have concentrate into a specific region and their concentration is higher than their buyers.
- This force is particularly strong when the cost to switch from one supplier to other is high for buyers
- When suppliers are few and demand for their offered product is high, it strengthens the suppliers position against the company.

Bargaining power of consumer:

Bargaining power of buyers indicates the pressure that customers exert on the business organizations to get high quality products at affordable prices with excellent customer service. Consumer have great bargaining power in the piping industry

There are some factors that increase the bargaining power of buyers;

- A more concentrated customer base increase their bargaining power against the company
- Buyer power will also be high if there are few in number whereas a number of sellers are too many.
- Low switching cost also increase the buyers bargaining power
- Consumers price sensitivity, high market knowledge and purchasing standardized products in large volumes also increase the buyers bargaining power.

Threat of substitute product or services:

The availability of substitute product or services makes the competitive environment challenging for the company and other existing players. High substitute threat shows that customer can use alternative product or services from other industries to meet their needs.

The threat of substitute product is high,

- A cheaper substitute product is available from another industry
- A switching cost of moving from industry to substitute product are low
- Substitute product offers the same or even superior quality and performance as offered by company

Threat of new entrants:

The threat of new entrants is relatively low. The industry is regulated by the plastic pipe and fittings association thus entrance by new firms need to be certified by various industry authorities. The industry is also capital intensive especially at the startup stage, therefore, it requires more capital at the initial stages.

Here are some factors that reduce the threat of new entrants for varun piping system;

- Entry in the industry requires substantial capital and resource investment. this force also loses the strength if product differentiation is high and customer place high importance to the unique experience.
- New entrants will be discouraged if access to the distribution channels is restricted
- The switching cost for consumers is high and existing brands have established a loyal customer base.

CHAPTER 4

SWOT ANALYSIS

SWOT analysis is useful framework for analyzing organization strengths, weaknesses, opportunities, and threats. It helps to build on what you do well, to address what you're lacking, to minimize risks, and to take the greatest possible advantage of chances for success.



STENGHTS:

- ❖ Partner's extensive experience: the partners have been in the industry for over three decades and have developed deep understanding of the dynamics of the market. The extensive experience of partners will help firm in bringing significant business linkage over the medium term.
- ❖ Moderate financial risk profile: VPS's financial risk profile is marked by a comfortable capital structure and debt protection metrics. The companies debt protection metrics were favorable with interest covers and net cash accruals to total debt.

- ❖ High quality of product: VPS's maintained high quality product, its product are produced utmost quality products.
- ❖ Talent management: Human resource are integral to the success of the company.
- ❖ Successful in its market: it is the successful cooperation in the pipes and tubes market.

WAEKNESS:

- ❖ Business model: company can be easily imitated by competitors, to overcome these challenges, company need to build a platform model that can integrate supplier, vendors and end users.
- ❖ Modest scale of operations and exposure to intense competition: the firm has a modest scale of operation, the revenue is expected to gradually improve over the medium term. Intense competition will continue to constrain ability to scale up operations significantly.
- ❖ Susceptibility to volatility in raw material process: profitability remains susceptible to volatility in the price of the key raw materials.
- ❖ Lack of promotion & brand awareness: in companies net worth, still has no allotted budget for its marketing and advertising.

OPPORTUNITIES:

- ❖ Customers migrating to higher end product: customers are increasingly making choices based on quality rather than the price which will help to the company as it has a strong value.
- ❖ Online availability: online presence is a plus factor for every company. VPS's may increase its online availability to its website and social media accounts to further connect to its customer online.
- ❖ Formulating advertisements: allotting the budget to its promotion in terms of advertisements is an opportunity for the company focus on.

THREATS:

- ❖ Competition: the company have a several competitors, due to the ongoing competition, there are price cuts which lead to a decrease in profit margin
- ❖ Government & environment regulations: the government has slightly different and more strict laws for the pipe industry to maintain its control over the consumption of natural resources.
- ❖ Sudden fluctuations in crude price, causing fluctuations in raw material price makes difficult in pricing strategy.

CHAPTER 5

FINANCIAL STATEMENT

BALANCESHEET OF VARUN PIPING SYSTEM,MANIPAL

Particulars	2022	2021	2020
SOURCES OF FUND			
1. PARTNER'S FUND			
Partner's fixed capital a/c	8,95,00,000	7,96,00,000	7,80,00,000
Partner's current a/c	5,16,08,544	5,22,88,732	4,32,18,952
	14,11,08,544	13,18,88,732	12,12,18,952
2. LOAN FUND			
Secured loan from Canara bank	1,22,87,139	2,19,65,014	3,22,46,032
	1,22,87,139	2,19,65,015	3,22,46,032
TOTAL	15,33,95,683	15,38,53,747	15,34,64,984
TOTAL USES OF FUND			
APPLICATION OF FUNDS			
1. FIXED ASSETS			
GROSS BLOCK(AT COST)	14,03,63,882	14,08,29,589	14,12,01,883
LESS: DEPRECIATION	6,72,45,844	6,11,96,025	5,95,63,055
W/OFF(FUND)	7,31,18,038	7,96,33,564	81638828
NET	1,76,35,601	1,92,52,065	1,95,62,043
BLOCK	1,76,35,601	1,92,52,065	1,95,62,043
2. INVESTMENTS	1,76,35,601	1,92,52,065	1,95,62,043
TOTAL			
	7,77,38,945	5,02,69,105	4,30,48,205
3. CURRENT ASSETS	8,50,01,861	9,70,43,394	10,01,40,458
Stock in trade	1,94,893	1,56,063	1,37,261

Sundry debtors & advances	1,82,06,425	2,00,18,453	1,80,22,633
Cash in hand	1,75,659	4,85,805	5,00,405
Balance with bank	45,99,396	39,53,969	36,63,445
Bills receivable	1206	2,65,236	1,45,882
Security deposit			
Balance with revenue authorities			
TOTAL(A)	18,59,18,385	17,21,92,025	16,56,58,289
LESS:			
4. CURRENT LIABILITIES			
Bank overdraft			
Creditors& advances	4,54,53,933	4,30,86,756	3,94,00,438
Security deposit payable	6,31,89,149	5,69,68,629	5,24,44,657
Bills payable & provision	17,50,000	3,50,000	3,30,000
	1,28,83,259	1,68,18,523	2,12,19,081
TOTAL(B)	12,32,76,341	11,72,23,908	11,33,94,176
SUB TOTAL(A-B)	6,26,42,044	5,49,68,117	5,60,46,906
TOTAL APPLICATION OF FUND	15,33,95,683	15,38,53,746	15,34,64,985

PROFIT & LOSS ACCOUNT OF VARUN PIPING SYSTEM, MANIPAL

Particulars	2022-21	2021-20	2020-19
INCOME : Sales less revenue	82,14,93,160	61,52,88,648	56,83,66,240
Duty taxes & cess collected	14,95,72,027	11,26,01,359	10,42,65,320
Profit on sale of asset	0.00	1,67,097	0.00
Interest received	9,13,975	8,73,662	6,96,886
Other income	37,67,362	63,58,380	43,65,420
Closing stock	7,99,43,945	5,00,69,105	4,12,22,270
TOTAL	105,56,90,469	78,53,58,251	71,89,16,139
EXPENDITURE			
Opening stock	5,02,19,105	3,49,37,379	3,12,20,550
Purchases	68,91,44,307	48,54,54,788	42,65,82,213
Freight & carriage inward	53,61,583	62,16,102	64,11,450
Power & electricity charges	2,67,72,694	2,29,37,911	2,22,72,370
Wages & manufacturing expenses	2,39,48,793	2,25,56,980	2,12,43,820
Repairs to building	6,24,372	9,27,718	9,63,204
Repairs to machinery	29,64,325	27,81,709	26,69,507
Staff salary & perquisites	92,52,440	87,78,256	81,85,620
Insurance	5,68,556	2,75,233	2,65,770
Advertisement charges	4,52,755	2,63,981	2,56,881
Travelling expenses	6,63,826	6,85,987	6,88,850
Telephone charges	1,78,484	2,26,175	2,56,220
Bad debts	7,74,080	4,00,509	3,95,203
GST tax paid	15,03,82,027	11,26,31,459	11,15,67,055
Discarded value of fixed assets	0.00	2,00,035	0.00
RC, licence fee & taxes	2,95,052	2,10,053	2,06,056
Other expenses	3,91,71,388	3,61,50,575	3,55,60,440
Interest & interest on LC	64,30,677	72,08,288	79,40,770
CGST, SGST – penalty paid	1,71,162	0.00	0.00
Remuneration to partners	61,80,000	61,70,000	61,50,000

Interest to partners	1,06,00,000	95,00,000	91,00,000
Charity & donation	22,58,506	6,19,515	5,76,550
Depreciation written off	60,49,219	65,02,468	68,50,430
	103,24,64,352	76,56,35,121	69,93,62,659
PROFIT/(LOSS)BEFORE INCOME TAX	2,32,26,117	1,97,23,130	1,95,53,480
LESS: INCOME TAX	90,74,732	1,10,64,134	1,12,43,150
PROFIT/(LOSS)AFTER INCOME TAX	1,41,51,385	86,58,996	53,10,330

RATIO ANALYSIS:

The analysis of financial statements with the help of Ratio's is called as ratio analysis. This analysis tool is widely used tool for financial analysis of the data. This analysis provides overall information about financial stability of the company.

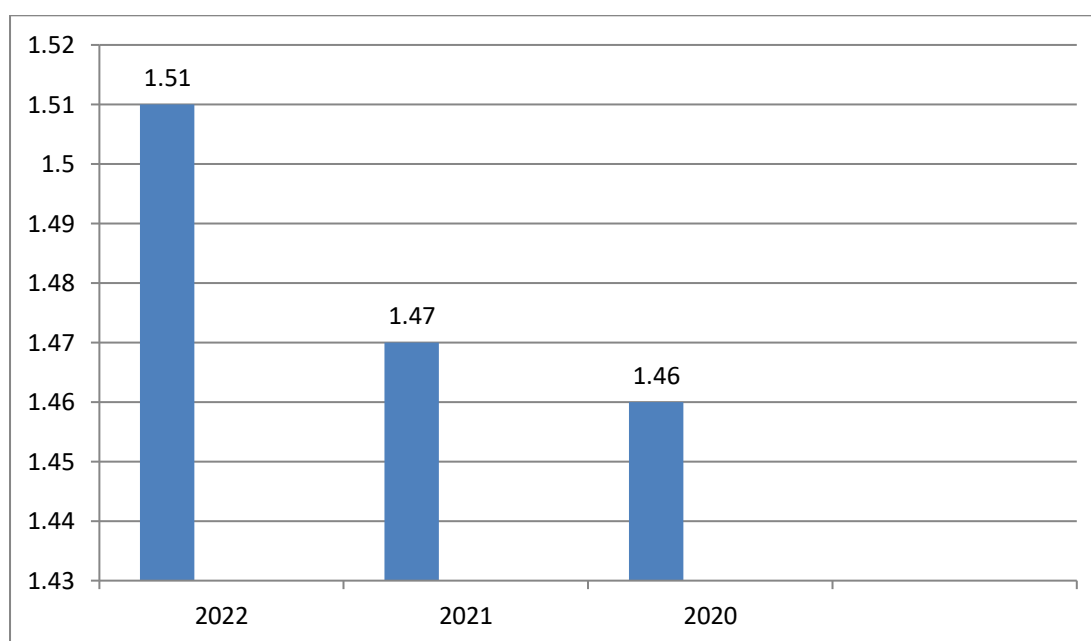
CURRENT RATIO:

The current ratio is calculated by dividing current asset by current liabilities. The current ratio measures the company's short term solvency. Generally current ratio varies from company to company. Ratio of 2:1 may be being considered a satisfactory for industrial and commercial concern.

FORMULA;

CURRENT RATIO = CURRENT ASSET/CURRENT LIABILITIES-

YEAR	CURRENT RATIO
2022-21	1.51
2021-20	1.47
2020-19	1.46



Analysis and interpretation: The above table & chart shows the current ratio of the firm, when comparing with 3 years of ratio 2022 is having the highest ratio of 1.51 which is a very good sign to the firm, where the liquidity position of the firm increased to a good extent.

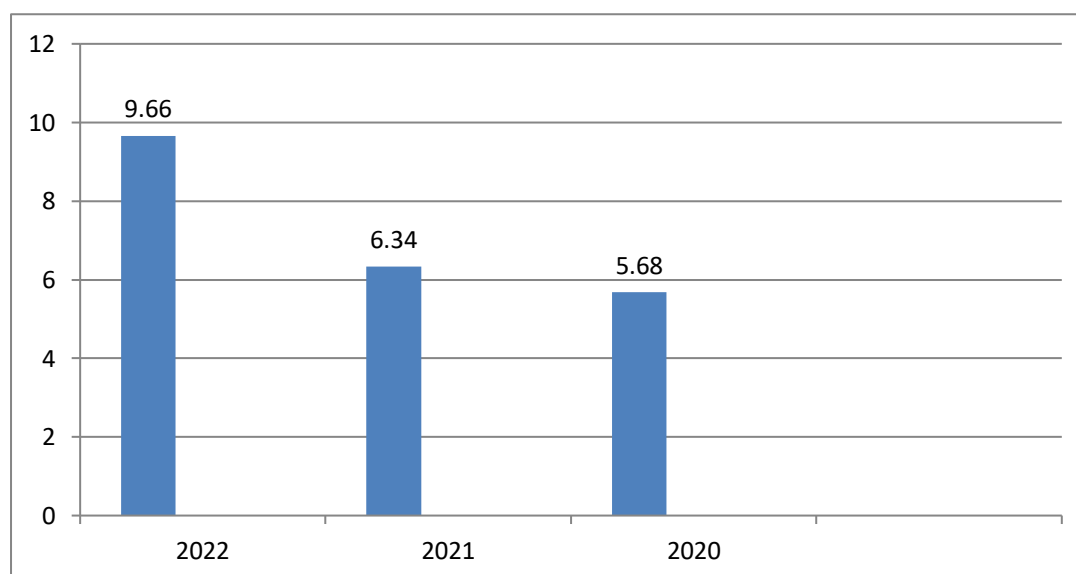
DEBTORS TURNOVER RATIO:

In business, sales are made in cash as well as credit. When sales are made in credit, the other party who owes money is known as the debtor. Due to the sale of goods/ on credit, there may be a delay in payments and hence, the money receivable is known as accounts receivable. The debtors turnover ratio is also known as trade receivable turnover ratio.

FORMULA:

DEBTORS TURNOVER RATIO = NET CREDIT SALES/AVERAGE DEBTORS

YEAR	DEBTORS TURNOBER RATIO
2022-21	9.66
2021-20	6.34
2020-19	5.68



Analysis and interpretation: the above table & graph shows the debt turnover ratio of the firm. In 2022 company having the highest ratio of 9.66, In the preceding year it decline to 6.43 and in the year 2020 it has 5.68 turnover ratio.

GROSS PROFIT RATIO;

Gross profit ratio is helps to measure how much profit a company makes from the sale of goods and services. It is calculated by deducting cost of goods sold from total sales. The cost of goods sold considers only the company's direct costs not indirect cost.

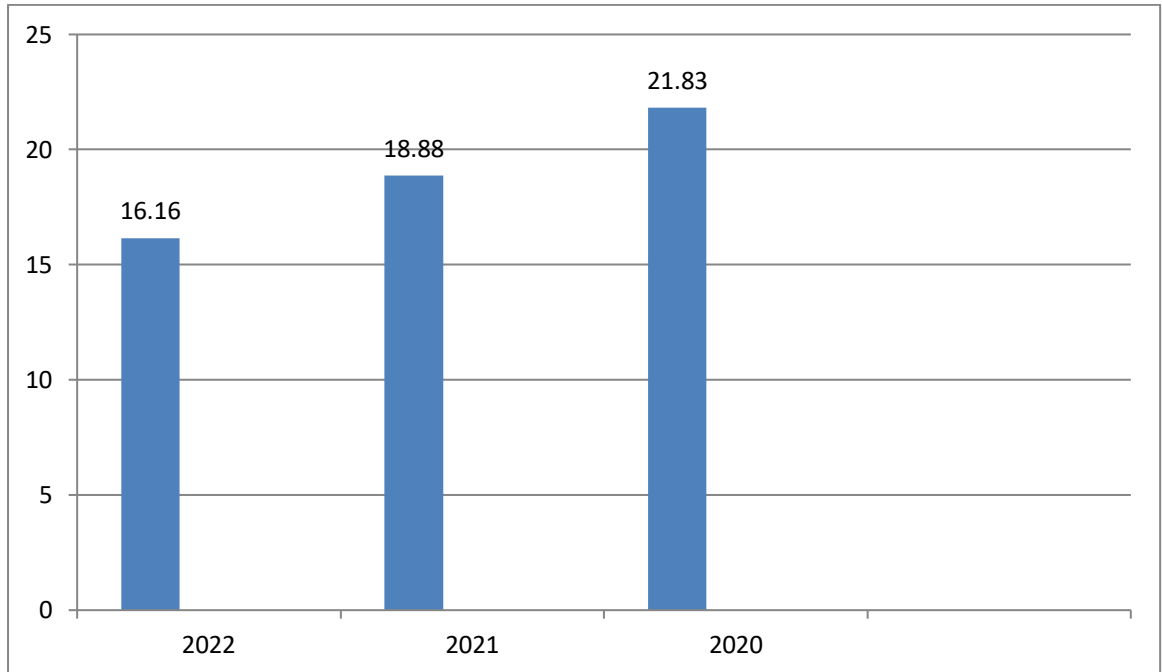
FORMULA:

$\text{GROSS PROFIT RATIO} = \text{GROSS PROFIT} / \text{NET SALES} \times 100$

$\text{GROSS PROFIT} = \text{SALES} - \text{COST OF GOOODS SOLD}$

GROSS PROFIT	2022	2021	2020
Sales	82,14,93,160	61,52,88,648	56,83,66,240
Less: COGS;			
Opening stock	5,02,19,105	3,49,37,379	3,12,20,550
Purchases	68,91,44,307	48,54,54,788	42,65,82,213
Direct expenses	2,93,10,376	2,87,73,082	2,76,55,270
Less: closing stock	7,99,43,945	5,00,69,105	4,12,22,270
	68,87,29,843	49,90,96,144	44,42,35,763
TOTAL COGS	13,27,63,317	11,61,92,504	12,41,30,477
GROSS PROFIT			

YEAR	GROSS PROFIT RATIO
2022-21	16.16
2021-20	18.88
2020-19	21.83



Analysis and interpretation: The above table and graph shows the gross profit of company. In 2020 the company have higher gross profit ratio of 21.83% gradually it started decreasing in the succeeding year. i.e 2021 and 2022

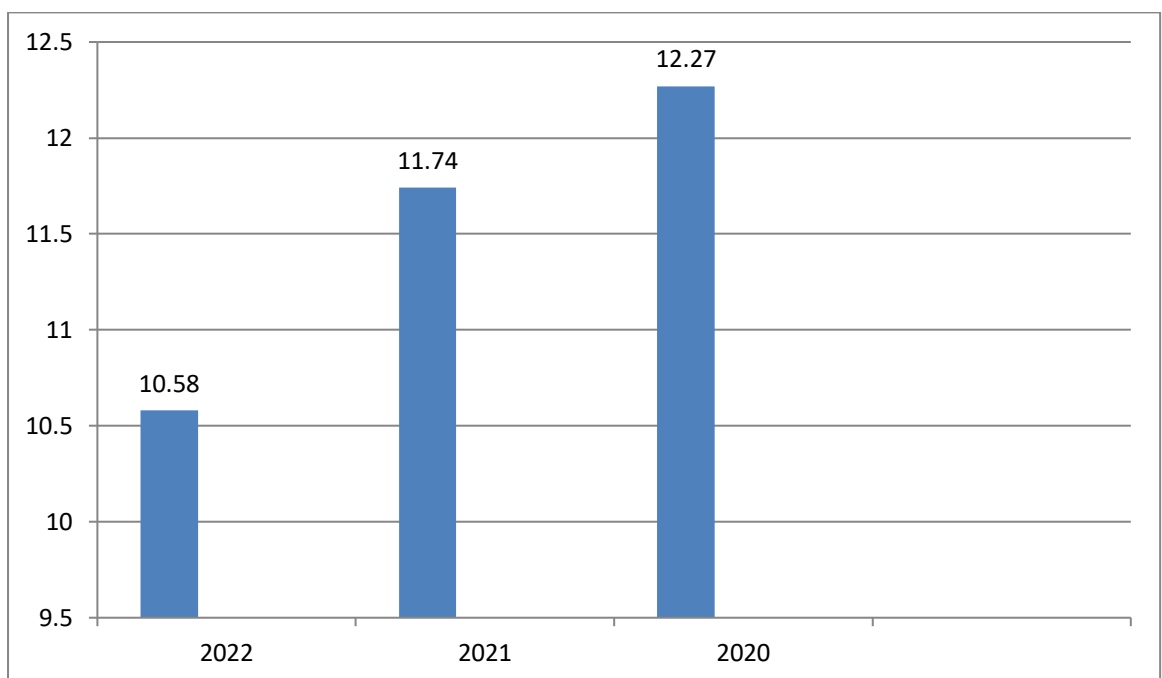
STOCK TURNOVER RATIO:

Inventory turnover is the rate that inventory stock is sold or used and replaced. It is calculated by dividing the cost of goods by average inventory for the same period. A higher ratio tends to point to strong sales and a lower one to weak sales.

FORMULA;

STOCK TURNOVER RATIO = COST OF GOODS SOLD/AVERAGE STOCK

YEAR	STOCK TURNOVER RATIO
2022-21	10.58
2021-20	11.74
2020-19	12.27



Analysis and interpretation: the company has a highest stock turnover in the year 2020, which is 12.27 and in the upcoming year it goes on decreasing. In the year 2021 it has 11.74 and in 2022 it has 10.58.

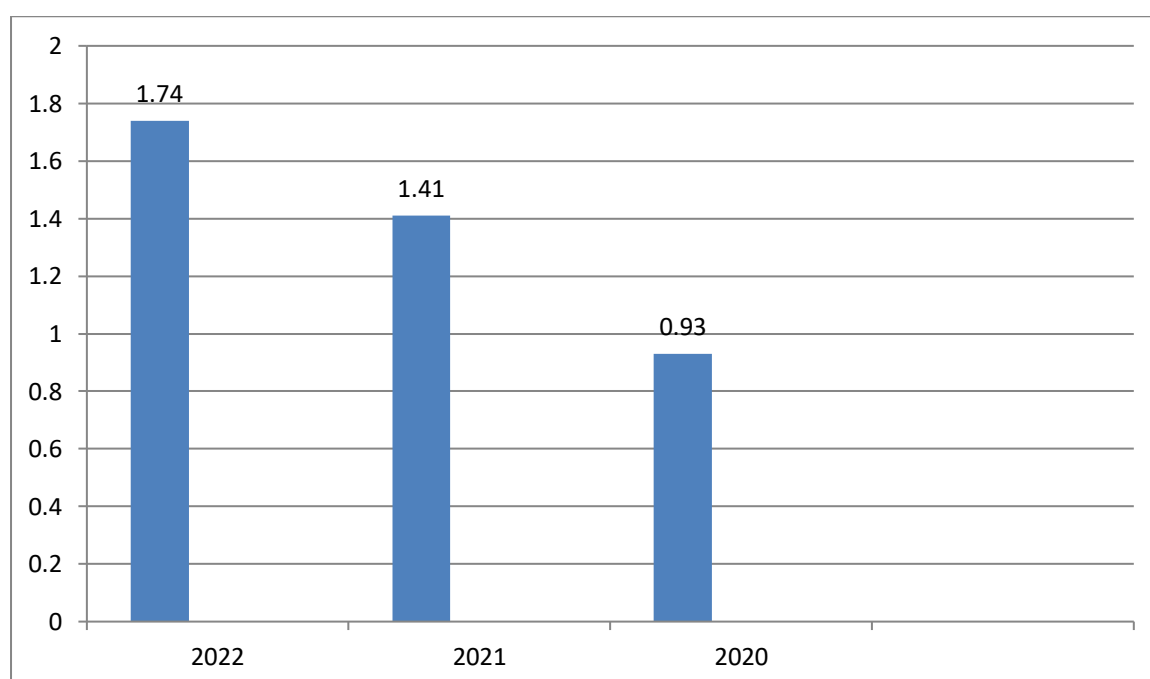
NET PROFIT RATIO:

Net profit is measures the company's profits to the total amount of money bought into the business, in other words, the net profit margin ratio depicts the relationship between the net profit after taxes and net sales taking place in a business.

FORMULA:

$$\text{NET PROFIT RATIO} = \text{NET PROFIT} / \text{NET SALES} * 100a$$

YEAR	NETPROFITRATIO
2022-21	1.74
2021-20	1.41
2020-19	0.93



Analysis and interpretation: the company has highest net profit ratio in the current year 2022, i.e 1.74%. in the year 2021 the net profit ratio is 1.41 less than the current year. The company has lowest net profit ratio in the year 2020. i.e 0.93.

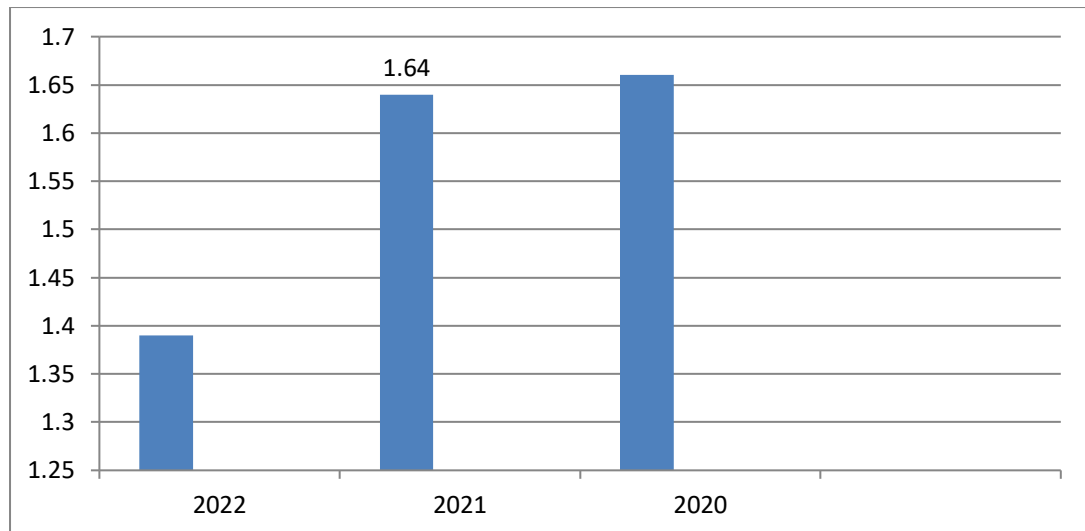
QUICK RATIO:

Quick ratio is calculated by dividing quick assets by current liabilities. Quick ratio forms a relationship between liquid assets and current liabilities. An assets is liquid if it can be converted into cash immediately without loss of value.

FORMULA:

QUICK RATIO = QUICK ASSET/QUICK LIABILITIES

YEAR	QUICK RATIO
2022-21	1.39
2021-20	1.64
2020-19	1.66



Analysis and interpretation: The above table & chart shows the quick ratio of the firm. When comparing to 3 years of ratio , 2020 is having the highest ratio of 1.66 which is an indication that the firm is liquid and has the ability to meet its current or liquid liability in time.

CHAPTER 6

LEARNING EXPERIENCE

During 4 weeks of internship, I have accumulated various experience. This report is a unique experience and gave me a good opportunity to learn and explore myself and also to understand a various aspects of the company and I could able to gain lots of information about the company

My internship company is VARUN PIPING SYSTEM, here I learned about the manufacturing process of pipes and also learnt about the different tubes and fittings. During my internship the company support me a lot and giving accurate information about the company.

So, the organization study has allowed me to enlarge my knowledge and gave me a platform to understand about the realistic industrial situation. The report had a purpose of gaining experience in the realistic world, to get organizations detail knowledge on the job responsibilities, to compare with the real scenario with the

WEBSITE:

VARUN PIPING SYSTEM,MANIPAL

<http://www.varunpiping.com>

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