

A PROJECT REPORT ON
“A STUDY ON WORKING CAPITAL MANAGEMENT AND IT’S IMPACT ON
FIRM’S PROFITABILITY WITH REFERENCE TO GRASIM INDUSTRIES
LIMITED, KARWAR”

Submitted By

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(4AL21BA098)

Submitted To



VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

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

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

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PG DEPARTMENT OF BUSINESS ADMINISTRATION

ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

SHOBHAVANA CAMPUS, MIJAR, MOODBIDRI

SEPTEMBER - 2023

CERTIFICATE FROM ORGANIZATION



04th September, 2023

CERTIFICATE

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Ms. Swati Naik**, a student of MBA from Alva's Institute of Engineering and Technology, Moodbidri has successfully completed her Project in our organization for the period of 6 weeks in Finance Specialization.

During the project her conduct was found to be good.
We wish her all success in her future endeavors.

For Grasim Industries Limited,
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Jagannivas Raghavan
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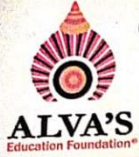
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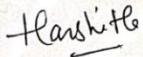
Approved by AICTE, New Delhi & Recognised by Government of Karnataka


Accredited by NAAC with A+ Grade and NBA (CSE & ECE)

Date: 01-09-2023

CERTIFICATE

This is to certify that **SWATI NAIK** bearing USN 4AL21BA098 is a bonafide student of Master of Business Administration course of the Institute in 2021-23, affiliated to Visvesvaraya Technological University, Belgaum. Project report on "A STUDY ON WORKING CAPITAL MANAGEMENT AND ITS IMPACT ON FIRM'S PROFITABILITY WITH REFERENCE TO GRASIM INDUSTRIES LIMITED, KARWAR" is prepared by her under the guidance of Mrs. Harshitha V Shetty, Assistant Professor PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belgaum Karnataka.


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DECLARATION

I, Swati Naik, hereby declare that the Project report entitled "A Study On Working Capital Management And It's Impact On Firm's Profitability With Reference To Grasim Industries Limited, Karwar" prepared by me under the guidance of **Mrs. Harshitha V Shetty**, Assistant Professor PG Department of Business Administration, Alva's Institute of Engineering and Technology and External assistance by **Mr. Shailendra M Naik**, Hr Manager, Grasim Industries Limited, Karwar.

I also declare that this Project work is towards the partial fulfillment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum.

I have undergone a summer Project for a period of six weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree / diploma from any university / Institution.

Place: *Mijar*

Date: *05/09/23*

Swati
Signature of the student

ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere gratitude to all those who have helped me throughout this project. It gives me immense pleasure to acknowledge all those who have rendered encouragement and support for the successful completion of this work.

I express my deep sense of gratitude to my internal guide **Mrs. Harshitha V Shetty**, Assistant Professor PG Department of Business Administration, for his constant support and encouragement to carry out my project successfully without much difficulty.

I would like to express my sincere thanks to **Dr. Peter Fernandes**, Principal of Alva's Institute of Engineering and Technology, Mijar, Moodbidri.

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EXECUTIVE SUMMARY

Working capital refers to the capital available for day-to-day operations and is crucial for sustaining business activities. Effective working capital management involves balancing current assets and liabilities to ensure smooth operations and maximize profitability.

An effective working capital management strategy can significantly impact a company's profitability. By optimizing the management of its current assets and liabilities, a company can achieve improved financial performance. Here's a concise executive summary of the key points related to working capital management and profitability

The study uses secondary data, that is from the financial statements, annual reports and company websites. The period covered under this study is five financial years i.e., from 2017-18 to 2021-22.

To find out the impact of working capital management on Firm's profitability, Descriptive statistics, Karl Pearsons Correlation and regression analysis have been used.

The study shows the company's efforts in improving inventory management, optimizing payment cycles, and managing working capital have positively impacted its profitability, as reflected in the increasing ROA. The analysis suggests that efficient working capital management and faster cash collection contribute to better financial performance.