Project report

on

"A STUDY ON IMPACT OF WORKING CAPITAL MANAGEMEMNT ON PROFITABILITY WITH REGARDS TO SHIVA SATYA ENTERPRISES"

Submitted by

Pruthvika B G

4AL22BA067

Submitted to



VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELGAVI

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

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

INTERNAL GUIDE EXTERNAL GUIDE

Dr. Catherine Nirmala David Mrs. Swarna

Professor Assistant Manager

PG Dept. Of Business Administration Shiva Satya Enterprises

AIET, Mijar Koppa



ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY SHOBHAVANA CAMPUS, MIJAR, MOODBIDRI

GSTIN: 29AYQPP7960A1ZW

Phone: 6360704775 shivasatya@yahoo.in

SHIVA SATYA ENTERPRISES

Prop: Pramodh Shivashankar

Off: F56/B, Ground Floor, Gopala Gowda Extension, Shivamogga - 577 205

Factory: Sy.No.66/2, Talamakki Village, Kudregundi Post, Koppa Taluk, Chickmagalur Dist.

Date:06/06/2024

Internship work certificate

This is to certify that Ms. Pruthvika B.G. a student of 2nd year MBA in Alva's Institute of engineering and technology college, mijar, moodbidri has successfully completed her project from 23-04-2024 to 06-06-2024 on the topic of "A study on working capital management on profitability" in our organization.

We wish her all success and a very bright future.

For SHIVA SATYA ENTERPRISES

Authorised Signatory

ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

ALVA'S
Education Foundation

(A Unit of Alva's Education Foundation ®,Moodbidri)
Affiliated to Visvesvaraya Technological University, Belagavi
Approved by AICTE, New Delhi & Recognised by Government of Karnataka
Accredited by NBA (CSE & ECE)

Date: 09/09/2024

Signature Principal

Alva's Institute of Engg. & Technology, Mijur. MOODSIDRI - 574 225, D.K.

CERTIFICATE

This is to certify that Pruthvika B G bearing USN 4AL22BA067, is a bonafide student of Master of Business Administration course of Alva's Institute of Engineering and Technology, Moodbidri for the batch 2022-2024, affiliated to Visvesvaraya Technological University, Belagavi. The Project report on "A Study on impact of Working capital management on profitability with regards to Shiva Sathya Enterprises", is prepared by her under the guidance of Dr. Catherine Nirmala, Professor, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belagavi Karnataka.

Signature of Internal Guide

ignature of HOD

HOD

PG Dept. of Business Administration

Alva's Institute of Engg. & Technology

Viva - Voce Examination

Mijar - 574225

Signature of Internal Examiner

(Name & Affiliation)

Signature of External Examiner

(Name & Affiliation)

DECLARATION

I, Pruthvika B G, hereby declare that the Project report entitled "A Study on impact of Working Capital Management on Profitability with regards to Shiva Sathya Enterprises" in Kudregundi, Koppa prepared by me under the guidance of Dr. Catherine Nirmala David, faculty of MBA Department, Alva's Institute of Engineering and Technology and external assistance by Mrs. Swarna, Assistant Manager, Shiva Sathya Enterprises. 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, Belagavi. 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: Mija1

Date: 2019 12024

Signature of the Student

Pruthvika B G

(4AL22BA067)

Acknowledgement

The Research project needs co-ordination and support from many, for its successful completion and I am fortunate enough in this direction. It gives me great pleasure to acknowledge and to express my deep sense of gratitude to those who have helped me throughout this work.

I express my genuine thanks to Dr. Peter Fernandes, Principal of Alva's Institute of Engineering & Technology for his whole hearted support in all our endeavors.

I sincerely thank Mrs. Priya Sequeira, Head, PG Department of Business Administration for all her support and encouragement to do a meaningful study.

I wish to convey my deep sense of gratitude to my internal guide Dr. Catherine Nirmala David, Professor, Alva's Institute of Engineering &Technology Department of PG, for having guide me one very aspect right from the beginning of the Organization Study.

I express my genuine thanks to all the teaching faculties and the support staff of the PG department of Business Administration, Alva's Institute of Engineering & Technology.

I am deeply indebted to Mrs. Swarna, Assistant Manager of Shiva Sathya Enterprises, Koppa for giving me an opportunity to undertake my internship in their esteemed organization and who guided me with necessary inputs, in carrying out this exercise.

I express my deepest thanks to my parents and family members for their active role in my professional development without which my higher studies would have been just a dream.

Finally, I thank my friends for their valuable suggestions offered to me to complete this study successfully.

Thank You.

sTable of Contents

Sl. No.	Contents	Page No's.		
Executive Summary				
Chapter-1	Introduction	1-8		
1.1	Industry profile	1		
1.2	Company profile	1-2		
1.3	Promoters	2		
1.4	Nature of Business	2		
1.5	Vison, Mission & Quality Policy	2-3		
1.6	Product & Service profile	3		
1.7	Areas of Operation	3		
1.8	Infrastructure facilities	3		
1.9	Competitors	4		
1.10	SWOT analysis	4-5		
1.11	Future growth & prospectus	5		
1.12	Financial Statements	6-8		
Chapter-2	Conceptual Background and Review of Literature	9-15		
2.1	Theoretical background of the study	10		
2.2	Literature review	10-15		
Chapter-3	Research Design	16-18		
3.1	Problem Statement	17		
3.2	Need for the Study	17		

3.3	Objectives	17
3.4	Scope of the study	17
3.5	Research Methodology	18
3.6	Limitations	18
3.7	Chapter Scheme	18
Chapter-4	Data Analysis and Interpretation	19-35
4.1	Key Ratios and Metrics	20-32
4.2	EOQ Analysis	33
4.3	Correlation Analysis	33-35
Chapter-5	Summary of Findings, suggestions and Conclusion	36-41
5.1	Findings	37-39
5.2	Suggestions	40
5.3	Conclusions	41
Bibliography		

List of Graphs

Sl. No	Particulars	Page No's.
4.1	Graph Showing Current Ratio	20
4.2	Graph Showing Quick Ratio	21
4.3	Graph Showing Inventory Turnover Ratio	22
4.4	Graph Showing Working Capital Turnover Ratio	23
4.5	Graph Showing Working capital days	24
4.6	Graph Showing Receivable Turnover in days	26
4.7	Graph Showing Average Collection Period	27
4.8	Graph Showing Accounts Payable Turnover ratio	28
4.9	Graph Showing Payable Turnover in days	29
4.10	Graph Showing Gross Profit Ratio	30
4.11	Graph Showing Net Profit Ratio	31
4.12	Graph Showing Return on assets	32

List of Tables

Sl. No	Particulars	Page No's.
4.1.1	Table Showing Current Ratio	20
4.1.2	Table Showing Quick Ratio	21
4.1.3	Table Showing Inventory Turnover Ratio	22
4.1.4	Table Showing Working Capital Ratio	23
4.1.5	Table Showing Working Capital Days	23
4.1.6	Table Showing Accounts Receivable Turnover Ratio	24
4.1.7	Table Showing Receivable Turnover in Days	25
4.1.8	Table Showing Average Collection period	26
4.1.9	Table Showing Accounts Payable Turnover Ratio	27
4.1.10	Table Showing Payable Turnover in Days	28
4.1.11	Table Showing Gross Profit Margin Ratio	29
4.1.12	Table Showing Net Profit Ratio	30
4.1.13	Table Showing Return on Assets	31
4.2	Table Showing EOQ Analysis	33
4.3.1	Table Showing Correlation Analysis (case 1)	34
4.3.2	Table Showing Correlation Analysis (case 2)	35

Executive Summary:

The report on internship at "A study on impact of Working capital Management on Profitability with regards to Shiva Sathya Enterprises" was undertaken with the objective of studying the company's current working capital and its effect on profitability. The study was conducted for the period of Six weeks.

A detailed report on the Internship is prepared and presented in foregoing pages, it comprises of Five chapters. The first chapter deals with the information on the industry profile, about company vision, mission, competitors, Future plans. The Second chapter deals with research methodology, problem statement, need for the study, hypothesis, scheme of the chapters. The Fourth chapter shows the Data interpretation and their analysis through ratios and graphs. Further, chapter five explains about the Findings, suggestions and gives conclusions for the research problem. After that, there is a bibliography that lists the several review of literature study for the project and about the websites that we referred to gather the secondary data.