

Internship Report on
**“A STUDY ON CAPITAL BUDGETING DECISION AND TECHNIQUES AT
RANE ENGINE VALVE LIMITED, TUMUKURU”**

BY

NIRAN B.D

USN: 4AL16MBA31

Submitted to



VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELGAUM

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

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

INTERNAL GUIDE

Prof. DHARMANANDA M

Assistant Professor

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EXTERNAL GUIDE

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**Alva's Institute of Engineering and Technology
Shobhavana campus, Mijar, Moodbidri**

2017-2018

Rane Engine Valve Ltd.



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Hirehalli, Tumakuru - 572 104, Karnataka, India.
Tel : 91-816-3292512, Fax : 91-80-43507850
CIN : L74999TN1972PLC006127
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May 25, 2018

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Mr. Niran B D** bearing USN No. 4AL16MBA31 student of MBA 3rd Semester, at Alva's Institute of Engineering and Technology, Mijar, Moodbidri, has carried out a Project entitled "**A Study on Capital Budgeting Decision and Techniques**" under my Supervision and guidance in partial fulfilment of the requirements of the Master of Business Administration course during the period **15th January 2018 to 24th March 2018** at "**Rane Engine Valve Limited**", Tumukuru.

During the period of study, she has exhibited an enthusiasm on the subject. Her performance during the period was good.

We wish all the best in her future.

For RANE ENGINE VAVLE LIMITED

A handwritten signature in blue ink, appearing to read "L. Anil Kumar".

L. Anil Kumar
Asst. Manager – Finance





ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY

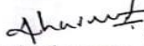
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21 -May-2018

CERTIFICATE

It is hereby certified that **Mr. NIRAN B.D** bearing **USN: 4AL16MBA31** is a bonafide student of the Master of Business Administration course of the Institute (2016-18), affiliated to Visvesvaraya Technological University, Belgaum.

The project report on the topic "**A STUDY ON CAPITAL BUDGETING DECISION AND TECHNIQUES AT RANE ENGINE VALVE LTD, TUMKUR**" is prepared by him under the guidance of **Dharmananda M**, Assistant Professor, Department of MBA, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration under Visvesvaraya Technological University, Belgaum, Karnataka.


Prof. Dharmananda M
Internal Guide


Prof. P Ramakrishna Chadaga
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Dr. Peter Fernandes
PRINCIPAL
Alva's Institute of Engg. & Technology,
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DECLARATION

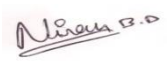
I, **Niran B D**, hereby declare that the project report entitled “**A Study on Capital Budgeting Decision and Techniques at Rane Engine Valve Limited, Tumukuru**” with reference to “**Rane Engine Valve Limited, Tumukuru**” prepared by me under the guidance of **Prof. Dharmananda M, Assistant Professor**, Department of M.B.A, Alva’s Institute of Engineering and Technology and the external assistance by **Mr. L Anil Kumar**, Assistant Manager, Rane Engine Valve Limited, Tumukuru.

I also declare that this project work is towards the partial fulfilment 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 10 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 degree/diploma from any other University/Institutions.

Place: Mijar

Date: 27/05/2018

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Signature of Student

ACKNOWLEDGEMENT

My profound thanks and deep sense of gratitude are due to authorities of **Rane Engine Valve Limited**, who gave me the opportunity for doing this project work at Tumukuru.

I sincerely express my gratitude and thanks to Mr. L Anil Kumar (Assistant Account Manager), Rane Engine Valve Limited, Tumukuru, who assisted me and helped me in getting the project in shape by constantly supporting me with his valuable guidance and suggestions throughout the period of this project.

With all my sincerity and indebtedness, I thank Dr. Peter Fernandes, the Principal, Alva's Institute of Engineering and Technology, Mijar for his permission to carry out the project.

I take this opportunity to thank our beloved Prof. Ramakrishna Chadaga, Dean - MBA, Alva's Institute of Engineering and Technology, Mijar.

I also take this opportunity to ex

press a great sense of gratitude towards our internal project guide Prof. Dharmananda M for providing me vital inputs to co-relate and provide a sound base for the successful completion of my report.

Niran B.D

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EXECUTIVE SUMMARY

The internship, as it is an integral part of academic curriculum and for the partial fulfilment of requirement of MBA course under VTU, Belgaum. It was a great opportunity to learn the practical aspects of the business operations carried out in a manufacturing organization..

The Internship, “A STUDY ON CAPITAL BUDGETING DECISION AND TECHNIQUES AT RANE ENGINE VALVE LIMITED” was carried for a period of 10 weeks.

The main objective of the project is to study on the various capital budgeting techniques applied by Rane Engine Valve Limited, to study and identify various parameters used while applying the capital budgeting technique. The evaluation of Rane Engine Valve Limited’s capital budgeting decisions and technique was done using ROI, ARR and comparison was done with the cash flows for a period of 5 years.

The first chapter gives the introduction about the internship topic chosen for the study, need and objective of the study, scope of the study, methodology adopted, literature review and limitation of the study.

The second chapter describes the industry profile and company profile. It includes the promoters, vision, mission, and quality policy followed with the products, areas of operation, infrastructure facilities, competitors’ information, SWOT analysis, future growth and prospects and financial statement.

The third chapter describes the theoretical background of the study, elaborative information about the subject chosen for better understanding and its usage in the analysis.

The fourth chapter gives the detail about the analysis and interpretations in the study

The fifth chapter lists the findings of the study, suggestions provided and conclusion of the study.