"A STUDY ON WORKING CAPITAL MANAGEMNT REFFRENCE TO GURUCHARAN INDUSTRIES"

Submitted by:

DEEKSHITH KUMAR

U.S.N: 4AL18MBA18

Submitted to:



VISVESHVARAYA TECHNOLOGICAL UNIVERSITY, BELGAUM

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

MASTER OF BUSINESS ADMINISTRATION

Under the guidelines of

Internal Guide: External Guide:

Mrs. Priya Mrs. Triveni

Associate professor Branch Manager

MBA Deaprtment Gurucahran industries

AIET, Mijar Managalore



DEPARTMENT OF BUSINESS ADMINISTRATION ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY MIJAR, MOODBIDRI

(2019-2020)

GURUCHARAN INDUSTRIES

PLOT NO.QG-1, 2 & 3 INDUSTRIAL ESTATE BYKAMPADY, MANGALORE-575 011.

PH: 0824-2409556,2400966,Fax: 0824-2408466 Cell: 9844074366

16th June 2020

Certificate

This is to certify that Mr.Deekshith Kumar (4AL18MBA18) M.B.A student of, Alva's Institute Of Engineering And Technology Moodbidri Mangalore, has undergone project on "Study On Working Capital Management" in our Organization from 01/01/2020 to 15/02/2020. He has acquainted himself with all the departments and successfully completed his Project.

During the study, we found him quite regular and took keen interest in understanding the organization, sincere, hardworking and enthusiasm to work. We also found his performance and conduct is good.

We wish him all success in his future endeavors.

THE STREET STREET

For GURUCHARAN INDUSTRIES,

MANAGER



ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY

A Unit of Alva's Education Foundation (R)

(Affiliated to Visvesvaraya Technological University, Belagavi

Approved by AICTE, New Delhi & Recognised by Government of Karnataka)

Shobhavana Campus, Mijar, Moodbidri - 574 225, Mangalore, D.K., Karnataka State. Phone: 08258-262724 (O), 262725 (P), Telefax:08258-262726

Email: principalaiet08@gmail.com, Web:www.aiet.org.in

24 June 2020

CERTIFICATE

This is to certify that **DEEKSHITH KUMAR** bearing USN **4AL18MBA18**, is a bonafide student of PG Department of Business Administration of Alva's Institute of Engineering and Technology, Mijar, affiliated to Visvesvaraya Technological University, Belagavi. The project report titled "A STUDY ON WORKING CAPITAL MANAGEMENT WITH REFERENCE TO GURUCHARAN INDUSTRIES, BAIKAMPADY" is prepared by him under the guidance of Mrs. Priya Sequeira, 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, Belagavi, Karnataka.

Mrs. Priya Sequeira
Signature of Internal Guide

Dr. Claret Mendonca Signature of HOD

colar

Dr. Peter Fernandes Signature of Principal

L'va's Institute of Engg. & Technology, Mijar, MOODBIDRI - 574 225, D.K.

DECLARATION

I, DEEKSHITH KUMAR, hereby declare that the Project report entitled "A STUDY ON WORKING CAPITAL MANAGEMENT" with reference to "GURUCHARAN INDUSTRIES, Bykampady, Managlore" prepared by me under the guidence of Mrs PRIYA, Assistant professor, faculty of MBA department, ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY and External assistance by Mrs. Triveni, Branch manger, Gurucharan Industries, Bykampady, Manglore. I also declare that this project work is towards the partial fullfilment of the university.

Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgum. 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 other University/ Institution.

Place: Mijar

Date: 27/06/2020

DEEKSHITH KUMAR

ACKNOWLEDGEMENT

I would like to extend my heartiest thanks with a deep sense of gratitude and respect to all those

who provides me immense help and guidance during my training period

I would like to thank our respected Principal, Dr PETER FERNANDES for his pillared support

and encouragement under college management for providing the right atmosphere to carry out

the internship.

I would like to convey my heartfelt thanks to Mrs CLARET MENDONCA, Dean of MBA

Department for giving me the opportunity and for her encouragement.

I am deeply indebted to my faculty guide Mrs PRIYA, Assistant professor, department of

MBA, AIET for offering valuable guidance and support in every single stage throughout the

course of my entire project work.

I would like to thank my External guide Mrs Triveni, the Branch Manager and entire staff of

Gurucharan Industries for their constant encouragement, suggestions and moral support

throughout the duration of my project.

Finally, I would like to mention here that I am greatly indebted to each and everybody who has

been associated with my project.

With sincere regards

DEEKSHITH KUMAR

TABLE OF CONTENTS

Contents	Page Nos.
Executive summary	
Chapter 1: Introduction	1-12
Chapter 2: Conceptual background and literature review	13-20
Chapter 3: Research design	21-24
Chapter 4: Data analysis and interpretation	25-43
Chapter 5: Findings, suggestions and conclusions	44-48
Bibliography	49-51
Annexure	52-59

LIST OF TABLES

Table No.	Particular	Page Nos.
Table – 1.1	Current ratio	9
Table – 1.2	Quick ratio	10
Table – 1.3	Absolute liquid ratio	11
Table – 1.4	Net asset turnover ratio	12
Table – 4.1	Changes in working capital for the year 2015-16 & 2016-17	25-26
Table – 4.2	Changes in working capital for the year 2016-17 & 2017-18	26-27
Table – 4.3	Changes in working capital for the year 2017-18 & 2018-19	27-28
Table – 4.4	Net working capital	28
Table – 4.5	Gross working capital	29
Table – 4.6	Total advance to total asset ratio	31
Table – 4.7	Inventory turnover ratio	32
Table – 4.8	Inventory conversion period	33
Table – 4.9	Receivable turnover ratio	34
Table – 4.10	Average collection period	35
Table – 4.11	Creditors payable turnover ratio	36
Table – 4.12	Average payment period	37
Table – 4.13	Working capital turnover ratio	38
Table – 4.14	Current asset turnover ratio	39
Table – 4.15	Fixed asset turnover ratio	40
Table – 4.16	Working capital to total asset ratio	41
Table – 4.17	Fixed asset to current asset ratio	42

LIST OF GRAPHS

Chart no	Particular	Page Nos
Table – 1.1	Current ratio	9
Table – 1.2	Quick ratio	10
Table – 1.3	Absolute liquid ratio	11
Table – 1.4	Net asset turnover ratio	12
Table – 4.1	Net working capital	29
Table – 4.2	Gross working capital	30
Table – 4.3	Total advance to total asset ratio	31
Table – 4.4	Inventory conversion period	32
Table – 4.5	Inventory conversion period	33
Table – 4.6	Receivable turnover ratio	34
Table – 4.7	Average collection period	36
Table – 4.8	Creditors payable turnover ratio	37
Table – 4.9	Average payment period	38
Table – 4.10	Working capital turnover ratio	39
Table – 4.11	Current asset turnover ratio	40
Table – 4.12	Fixed asset turnover ratio	41
Table – 4.13	Working capital to total asset ratio	42
Table – 4.14	Fixed asset to current asset ratio	43

EXCUTIVE SUMMARY

It is predicted that a well-designed and executed work environment would positively lead to value development. The study on "An analysis of working capital management for GURUCHARAN INDUSTRIES, Bykampady Mangalore" is based on this report. It is also published.

The scheme took 45 days study in GURUCHARAN INDUSTIRIES Mangalore. In the study, information was collected from various sources. The key knowledge was obtained from an external guide discussion. The study is based primarily on secondary data collected from the company's annual reports. The study covers the 2015-16 to 2018-2019 period.

The research was done in order to know the management productivity of the company's work resources including the analysis of currency, the stock of inventories and the management of business receivables. This report involves the analysis of GURUCHARAN INDUSTIREIS. This project report provides a brief overview of the company's methods and policies to maintain its working capital techniques.

The analytical ratio is the analytical tool employed. The data taken from the company's balance sheet have been used for that period to calculate sixteen ratios.

The company's overall performance is encouraging, but it must also focus on internal factors to strengthen its current status. In some way this study on the management of work capital will benefit the company.