



# ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 25/05/2018

## CERTIFICATE

This is to certify that **Mr. Sandeep G** bearing USN **1AY16MBA68** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on "**A Study on Working Capital Management at Coffee Day Global Ltd, Chikmagalur**" is prepared by him under the guidance of **Dr. Ramanaiah G** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

Signature of Internal Guide

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CIN:U85110KA1993TLCO15001

**COFFEE  
Day**

**COMPANY CERTIFICATE**

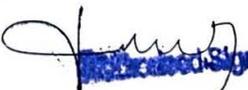
This is to certify that Mr. **Sandeep G Reg – 1AY16MBA68** programme ( 4<sup>th</sup> semester) student of **Acharya Institute Of Technology, Soldevanahalli, Bangalore** has undertaken project on “**A study on Working Capital Management in Coffee Day Global Ltd**”, **K.M. Road, Chikmagalur** formely ( Amalgamated Bean Coffee Trading Co Ltd) from 15-01-2018 to 24-03-2018 as part of portal fulfillment of the requirements of MBA curriculum of 2 years course.

During his project report , we found him sincere, very attentive towards assignment, We wish him a bright and successful career in all his future Endeavour.

Place: Chikmagalur

Date: 02-05-2018

**For Coffee Day Global Ltd ,**

  
**Signature**  
Sr. Gen. Manager

**COFFEE DAY GLOBAL LTD.  
K.M. Road chikmagalur-577101**

## DECLARATION

I Sandeep G hereby declares that the project report entitled "A study on Working Capital Management" with reference to Coffee Day Global Limited in Bhatkal prepared by me under the guidance of Dr. G. Ramanaiah of M.B.A Department Acharya Institute Of Technology and external assistance by Mr. Ramesh Finance Executive CDGL. Also, declares that this project work is towards the partial fulfilment of the university regulations for the awards of degree of Master of Business Administration in Visveswaraya Technological University Belgaum. I have undergone a project for the period of four weeks. I further declare that this project is based on the original study undertaken by me and not has submitted for the award of any degree/ diploma from any other university/institution.

Place: Bangalore

Date: ~~20~~ 30/5/18

  
Signature of the student

## **ACKNOWLEDGEMENT**

I take this opportunity to extend my profound thanks and deep sense of gratitude to Mr. Ramesh Finance Executive CDGL. for giving me the opportunity to undertake this project work in their esteemed organization. I thank the employees of the organization for their support to my project.

My sincere thanks to the principal of our college, HOD Dr. Nijaguna and my Project guide Dr G Ramanaiah for the kind encouragement constant support extended in the completion of this project work.

I also thank all those who helped me, through their valuable guidelines, cooperation and support during the completion of the project work.

Sandeep G

(1AY16MBA68)

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## **EXECUTIVE SUMMARY**

As partial fulfillment of MBA I was required to undergoes internship for 10 weeks. With respect to this I have prepared report “A Study on Working Capital Management at Amalgamated Bean Coffee Trading Company limited Bangalore”.

The Working Capital plays considerable in the proper functioning of the business. itis considered as the lifeblood of the firm. it indicates the short term financial health of every business firm. itis an amount which used for the study day to day operating expenses of a business firm. Every operating units weather big, small and needs for the smooth running of the operation of the business. Without proper finance firm can accomplishing its goal.

Amalgamated Bean Coffee Trading Company limited was the beginning has been earning profit, the objectives this Firm. itis economically disadvantaged and weaker sections of the society members and prepare plans to improve the economic situation and financial help. Firm should concentrate on diversifying its funds in order to make proper utilization of funds.

The Working capital at Amalgamated Bean Coffee Trading Company limited, The Financial data of 5 year has been considered. That is 2013 to 2017. the ratio is calculating current ratio, fixed turnover ratio etc, and statement changes in working capital based on the financial data of a bank.

# CHAPTER - 1

## 1.1 Introduction

An organization is a social arrangement which pursues collective goals, which control its own performance, and which has boundary separating it from its environment. organization is the association formed by a group of people that they are benefits available from working together.

organization studies are the study individual and group dynamics in an organizational setting, as well as the nature of organizations' themselves. Whenever people interact in organization many factors come into play. organizational studies attempt to understand and model these factors. organizational study is essential to any MBA graduate as it helps them to connect theory with practice.

## 1.2 INDUSTRY PROFILE

COFFEE, has fascinated the world, and inspired poets, scientists and storytellers. It is one of their most traditional beverages. To develop a knowledge relationship with coffee and particularly to learn to distinguish and appreciate its flavors one must understand what coffee is. Today, coffee is one of the world's favorite beverages and coffee bars are very much part of the urban landscape. At home or out of home, the more you know about coffee, the most you get to enjoy it.

Coffee is believed to have been introduced into India in the 17th century by a Muslim pilgrim Baba Budan. The Colonials started establishing plantations towards the end of 19th

century with the seeds obtained from various other sources. Coffee growing is concentrated in the southern states of India.

Coffee is a unique commercial crop of importance both at the national and international levels. At national level it is a traditional drink. Because of innovations by different companies there is a greater demand for coffee across the globe. Almost all the producing countries are third world countries depending on the developed countries for marketing their produce. For many of the countries it is the largest source of foreign exchange earnings.

In India about 80% of coffee is contributed from Karnataka State. Hence our state has pride of place in our country in growing of coffee. Chikmagalur is one of the districts in Malnad belt, and it is an ideal place for the cultivation of coffee. Coffee is grown to a large extent in the districts of Chikmagalur, Hassan, and Coorg and. In some parts of Kerala and Tamil Nadu.

I have chosen this firm because of its success in a short period of time. As this organization is a multi-national and the biggest coffee conglomerate in the country which is growing in to retailing and exporting activities, it was very useful for me to have an idea about the operations of all the department

Before 1200 A.D., coffee industry has spread along the red sea to Aden and cargo in Ethiopia. Then coffee was sold through Mediterranean Sea. Most pilgrims has started to cultivate coffee in India 1600A.D. large scale coffee cultivation started in Brazil. In 1729 A.D, it produced 200000 bags in 1825 A.D., it was 3 million bags. After 80 years, they started coffee export and reached 4 million bags. Brazil coffee market reached surplus because of uncontrolled production and cultivation of coffee. In past 20 years coffee trade from Africa has grown more rapidly than elsewhere and contributed rapidly to the growing surplus. The Central American countries have increased their shares to world coffee exports from about 5% in 1990 A.D to about 14% in 1970. which had about 450 million consumers and the rest of the world about 2450 million consumers.

Today 25 million people worldwide are provided with direct employment in coffee and considering the formers and the employment effect of coffee related services at least 100 million people depend in coffee as major source of income.

The world coffee production in 1999-2000 forecast at the rate of a 107.5 million bag and that is 14% above the revised 1998-99 crop and up 3% on the previous record of 1997-98. Brazil's 1998-99 products are forecasted at the rate of 35.8 million bags and Columbia at the world's production, which is normally 36-37%. North American producing countries including Central America produces 20% of the world's coffee production.

In 1990, world production was 93 million bags. Where world's domestic consumption was 21.5 million bags and world's exportable production is 71.5 million bags. In 1990 Arabica captures 75.5% of the world production and rest 24.3% followed by Robusta.

Here we have concentrated on coffee, which is considered as traditional drinks especially in south India. People here start their everyday life with a cup of coffee. Not only in south India but in all parts of the world people are so dependent and addicted to coffee that it acts as a daily schedule to everybody everywhere. But this coffee is not grown in all parts of the world but is grown in very few places with right kind or weather, atmosphere and most important of all, the soil of that region. It is usually grown in hill stations with adequate amount of rainfall and such places, which are high above sea level. Therefore in India, Karnataka is such a place, especially South Karnataka that produces the highest amount of coffee in whole India. Most parts of Karnataka such as Chikmagalur district and many parts in Hassan District, and also Coorg.

## **COFFEE CONSUMPTION IN INDIA**

Per capita consumption of coffee in India is 59 gms per annum. In southern region, the coffee consumption is 250 gms per capita per annum compared to only 4 gms in northern region. In northern India, per capita coffee consumption is one cup in a whole year. Filter coffee

has been a part of tradition and culture of south India. It is inconvenient to brew filter coffee, which is less popular in tea drinking northern regions. Pure instant coffee is consumed in north India. Also, urban consumers, who are not daily drinkers of coffee, prefer pure instant coffee.

India might be one of the world's largest coffee producer countries, but the nation as a whole is still a tea drinker. many coffee growing farmers may never have tasted coffee in their lives as coffee is just another crop they sell to the west. Nearly two third of the population doesn't drink coffee.

the coffee demand over the last decade has increased considerably by 40% (according the hindu business line) might be low as compared to the European per capita rate but still indicative of coffee culture picking up in the country. coffee consumption in india is about 85 grams of coffee per person per year which has increased from 15.6 to 16.6 cups as compared to last year.

## **1.3 COMPANY PROFILE**

### **HISTORY**

#### **“COFFEE DAY GLOBAL LIMITED (CDGL)”**

Amalgamated Bean Coffee Trading Company limited is an entrepreneurial venture of its chairman Mr. V G Siddhartha. In the beginning the company had only 250 acres of coffee plantations inherited by forefather but after the start of Amalgamated Bean Coffee Trading Company limited (CDGL) in the year 1992. Seizing the moment, it took advantage of the deregulation of the coffee board in 1990's and Free Sale Quota (FSQ) was introduced for the first time, CDGL was formed to buy coffee from planters and started exporting. In the first year of its opening the company purchased nearly 800 tons of coffee. Seeing big demand in

the international market and very high potential in the domestic market, the company seriously took into expansion of its plantation division and started acquiring coffee estate in chikmagalur district. Today the company owns nearly 10000+ acres of coffee plantation and it is the second biggest producer in respect of Arabica coffee.

It is one of the biggest organizations in the coffee industry and getting world-class recognition now days. CDGL was started in the 1991 year and owned by Mr. V.G Siddhartha. Registered office of CDGL is in Chikkamagaluru and has its own coffee growing estate which spreads in an area more than 5000 acres in Chikkamagaluru district.

Amalgamated Bean Coffee Trading Company limited is perhaps one of the two fully integrated coffee companies of Asia, involved in all sectors of Coffee from plantations to retailing to exports.

Amalgamated Bean Coffee Trading Company, better known as "CDGL", is one of the large exporters of green coffee from India since 1999. ABC's business mission has its roots in coffee knowledge. This culminates into an incessant effort to adapt to dynamics of the coffee market resulting onto a leadership role. CDGL has invested well into a Research and development on coffee quality that supports our domestic promotion of various blends of coffee and augments our export activities.

However the corporate office of CDGL is situated in Bangalore, which manages all the activities of CDGL all over India.

## **BEVERAGES**



Beverages in the general sense mean any hot refreshment drinks. So under beverages department of CDGL, it deals with coffee machines which prepare these beverages such as black coffee, regular filter coffee, instant coffee etc..

These machines are automated and require some raw materials to be fed in it before the preparation of coffee. After that just by the press of a button people can get different types of coffee ready to drink.

So these departments is concerned with selling of such coffee machines which are used in most of the offices and other work places with ready hot coffees for people who work there as and when they require it.

## **FRESH & GRoUND**



These are retail outlets of coffee day situated in all parts of India mostly in major cities all over India. These outlets provide customer with wide variety of coffee beans and provides

both instant coffee and filter coffee options to the customer and customers are given choice to select their favorite variety of coffee beans which are later blended and coffee powder is provided to customer as per their required quantity and according to their requirements. Usually all the fresh and ground outlets are managed by the corporate office of CDGL, Bangalore.

## **COFFEE DAY TAKE AWAY**

Being a part of beverages and fresh and ground division, Coffee Day take away is a brand that has no substitute. Renowned for its aroma & flavor, Coffee Day has grown to be India's largest selling brand of fresh filter coffee powder. Amalgamated Bean Coffee Trading Company Ltd., the name behind Coffee Day Take Away, is one of the largest producers & exporters of coffee in the country. With over 50000 acres of coffee plantations and state-of-the-art curing capacity of 70000 tons, it has the distinction of exporting more than 13% of India's coffee. The company has been responsible for transforming coffee retailing. With over 300 Coffee Day Fresh 'n' Ground outlets, it caters to over 1,2000 customers every week. Expanding its beverage portfolio, the company has also launched superior Assam teas under the Tea Day brand.

### **1.3.1 VISION, MISSION, QUALITY POLICY**

#### **VISSION**

“To become top coffee retailing company in the world”

#### **MISSION**

“To be the best cafe chain in the world by offering world class coffee experience at affordable prices”

#### **QUALITY POLICY**

They continues to improve activity relating to procurement, marketing of coffee beans to ensure customer satisfaction”

### **1.3.2 PRODUCT PROFILE**

The product is coffee beans and coffee can be mainly divided into 2 types

#### **ROBUSTA**

Arabica named for the Arabs, is the better and more expensive of the two. These trees grow in semitropical climates near the equator, both in the western and eastern hemispheres, at high altitudes. Because ripe Arabica cherries (unroasted beans) fall to the ground and spoil, they must be carefully monitored and picked at intervals, which increases production costs.



Robusta trees which are grown exclusively in the eastern hemisphere also thrive in equatorial climates, but at low altitudes. Their cherries require less care since they remain on the tree after they ripen. Robusta beans have twice the caffeine of Arabica, but less flavor. Some supermarkets carry Arabica, but most of their brands are Robusta. Coffee shops generally use Arabica beans, but because their brews are so strong.

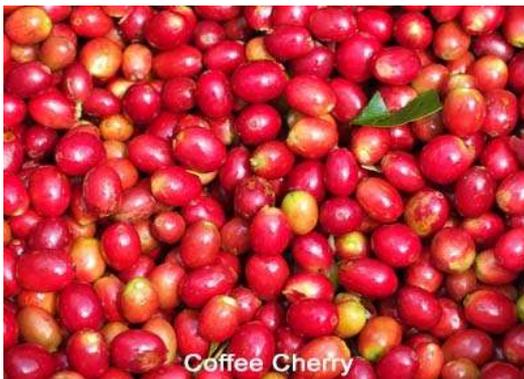
## **PARCHMENT**

It means bringing the cleaned beans or already separated and dried coffee beans in to CDGL.



Usually this parchment is done by the estate owners through pulper machines which separate the beans from the cherry which are ripen and the beans are cleanly separated from cherry and all the remains are eliminated as waste and then these beans are dried and then transported to CDGL where the further processing of the beans is under taken.

## **CHERRY**



As the name indicates, it is the raw cherry which is grown in these 2 types of plants.

They are directly purchased and brought to CDGL in a ripe cherry form and even removing the bean from the cherry is done by CDGL head office, Chikkamagaluru & Chikamagalur

after bringing to CDGL. Here the work will be more to this curing works as it is brought in raw form.

Arabica is grown from December to March and these four months are considered the best season for growing Arabic and plucking. Most of Arabica beans are exported to USA (New York).

Robusta season is from Feb/Mar to May every year and considered best for these beans (coffee). Most of Robusta coffee is exported to U.K (london).

Arabica parchment is plucked in 3 rounds

**I Round:** - Plucking of coffee from plants when they are fully ripe and ready to pack.

**II Round:** - Plucking of half ripe coffee beans

**III Round:** - Plucking of cherry

Arabica coffee is strong and doesn't fall down from the plant even due to heavy rains. It has to be plucked.

Arabica coffee is more costly than Robusta because of its strong flavors and taste.

### **1.3.4 COMPETITORS**

As every other industry, even the coffee industry has lots of competitors. But the competitors of CDGL are divided into 2 main groups as follows

- **Competitors in procurement or curing**
- **Competitors in domestic market**

The competitors in procurement or curing work of coffee beans are many in the field. These competitors also indulge in import/export of coffee beans as CDGL.

- Allan coffee curing works
- Jayanti group
- General commodities ltd.
- Nestle company ltd.
- ITC ltd.
- Ned commodities ltd.

In domestic market there are lots of retailers who compete with CDGI in the domestic market. Even though only 10% of CDGI's products are marketed in domestic market, there are lots of competitors even to compete for this 10% of coffee products of

Some of these competitors are:

- Nurses coffee
- Hindustan lever ltd. (Hil)
- TATA coffee

### **1.3.5 GROWTH AND DEVELOPMENT OF THE ORGANISATION**

Coffee today is grown and enjoyed world wide, and is one of the few crops that small farmers in third-world countries can profitably export.

Before 1200, the coffee industry had spread along the red sea to Aden and cargo in Ethiopia. Then coffee was sold to Mediterranean Sea. Most pilgrims had started to cultivate coffee in India about 1600 A.D. large scale coffee cultivation started in Brazil. In 1729, it produced 2,00000 bags and in 1825 it was 3 million bags. After 80 years, they started coffee export and reached 4 million bags. Brazil coffee market reached surplus because of uncontrolled production and cultivation of coffee. In past 20 years coffee trade from Africa has grown more rapidly than elsewhere and contributed rapidly to the growing surplus. The Central American countries have increased their share to world coffee exports from about 5% in 1990 A.D to about 14% in 1970. This growth had occurred with mild coffees, which

command and favorable. The highest construction of coffee is recorded in the U.S had about 450 million consumers and the rest of the world about 2450 million consumers.

Today 25 million people worldwide are provided with direct employment in coffee and considering the formers and the employment effect of coffee related services at least 100 million people depend in coffee as major source of income.

### **1.3.6 SWOT ANALYSIS**

#### **STRENGTHS**

- The biggest strength of CDGL is that it is the only company in coffee industry with a complete chain of coffee operations.
- CDGL carries its operations right from the growing of coffee to the consumption of coffee by the final consumer.
- It grows coffee in its own land, procures it, carries productions, exports it, produces ready coffee products and has also conquered the domestic market.
- All its competitors are indulged only in few activities but CDGL manages a complete chain of its operation.
- Among CDGL's **biggest strengths** are the two curing works, strategically located in Chikkamagaluru with a combined installed capacity of 1 million bags.

#### **WEAKNESS**

There are no major weaknesses but one of its weakness is the higher quality coffees in the world market such as Brazilian coffee, Kenyan coffee etc. Which are of the best quality and rate in the world market of coffee.

## **OPPORTUNITIES**

- The overseas market demand for coffee is one of the biggest opportunities for CDGL. The demand by European countries and many other countries of the world for Indian coffee has created and also creates huge market in future.
- Globalization and liberalization has played a very important role in these overseas dealings of CDGL.

## **THREATS**

- New entrants in Indian market for coffee are one of the biggest threats for CDGL. **For example:** - STAR BUCKS, a company from USA is trying very hard to enter the Indian market and trying to take over the cafe coffee day outlets of CDGL. It is a very big company and has high quality standards.
- However it has not yet been a possibility because of its high costs. other than that here is a threat of changing quality of coffee and its rates due to natural reasons.
- Change in money value in foreign exchange is also a threat to CDGL

### Manufacturing and trading accounts

Particulars	2013	2014	2015	2016	2017
<b>Purchases</b>					
opening stock	7593108	1097982.00	766569.79	13321262.9	2106655.45
Purchases of material	16188803.4	24208038.2	81751363.0	39901010.2	49565611.7
other expenses	2922559.28	4905158.56	5919636.35	500482.87	9647370.55
Storage and transportation	932377.25	1653027.46	177813.07	1842630.66	2900951.69
Processing and manufacturing expenses	1370911.11	2132833.36	2935886.89	3337840.68	3400002.52
Selling and distribution	379422.29	607309.33	599762.29	511576.4	601939.09
Trade profit	1776139.76	2204593.50	2754944.32	3153359.4	3233924.31
<b>Total</b>	<b>31163321.09</b>	<b>36808942.41</b>	<b>44905975.71</b>	<b>62568163</b>	<b>71456455</b>

<b>Sales</b>					
Silk and Silk product sales	29246172.87	30994052.6	41508704.1	56737514	58392393.5
Silk product sales	1047901.44	5048320.02	1466008.64	3723993.54	11552855.9
Closing stock	869246.88	766569.79	1931262.94	2106655.45	1511205.59
<b>ToTAI</b>	<b>31163321.09</b>	<b>36808942.4</b>	<b>44905975.71</b>	<b>62568163</b>	<b>71456455</b>

**Profit \ loss account**

<b>Expenditure</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Staff expense	1041232.61	1320372.59	1588069.53	1731991.59	1883854.94
Administration expenses	240468.41	266800.35	213709.17	325535.87	384431.34
Tax	63868.67	512913	874749.79	437636.91	382298.51
Interest on bank commission	32308.43	45251.83	46351.21	42411.07	62007.11
Technical expenses	153256	175414	214139.5	311166.38	318701.5
Depreciation	298518	150668.6	190226	243512	374581
Net profit	181183.35	278832.45	103299.06	427862.64	487691.6
<b>Total</b>	<b>2010835.47</b>	<b>2750252.82</b>	<b>3230544.26</b>	<b>3520116.46</b>	<b>3893566</b>
<b>Income</b>					
Trade profit	1776139.76	2204593.5	2754944.32	3153359.4	3233924.31
other incomes	150393.67	433989.69	354532.98	236463.62	378033.14
Interest and dividend	84302.04	111669.63	121066.96	130293.44	281608.55
<b>Total</b>	<b>2010835.47</b>	<b>2750252.82</b>	<b>3230544.26</b>	<b>3520116.46</b>	<b>3893566</b>

**Balance sheet**

<b>LIABILITY</b>	<b>2013</b>	<b>Assets</b>	<b>2013</b>
Share capital			
Share capital	1779000	Fixed assets	1930233.5
Reserve and surplus	448056	Investment	2696634.5
loans	1793455	Current assets	8486924.9
Grants	2791407.35	Stock in hand	
Current liabilities	6120691.2	Sundry debtors	
P/l accounts	181183.35	Cash at bank	
		loans and advances	
<b>Total</b>	<b>13113792.9</b>	<b>Total</b>	<b>13113792.9</b>

<b>LIABILITIES</b>	<b>2014</b>	<b>Assets</b>	<b>2014</b>
Share capital			
Share capital	3277000	Fixed assets	2930233.48
Reserve and surplus	548056	Investment	1696634.53
loans	2479345	Current assets	9486924.92
Grants	492220.09	Stock in hand	
Current liabilities	7038339.36	Sundry debtors	
P/l accounts	278832.5	Cash at bank	
		loans and advances	
<b>Total</b>	<b>14113792.9</b>	<b>Total</b>	<b>14113792.9</b>

<b>LIABILITIES</b>	<b>2015</b>	<b>Assets</b>	<b>2015</b>
Share capital	1274000	Fixed assets	6938347.7
Reserve and surplus	5423624.53	Investment	2547969.1
loans	5468218.36	Current assets	7598221.16
Grants	213051.19	Stock in hand	
Current liabilities	4602344.81	Sundry debtors	
P/l accounts	103299.06	Cash at bank	
		loans and advances	
<b>Total</b>	<b>17084538</b>	<b>Total</b>	<b>17084538</b>

<b>LIABILITIES</b>	<b>2016</b>	<b>Assets</b>	<b>2016</b>
Share capital	1841000	Fixed assets	4432281.69
Reserve and surplus	6903916.41	investment	2842797.78
loans	1635362.36	Current assets	8910893.79
Grants	33190.19	Stock in hand	
Current liabilities	5344641.66	Sundry debtors	
P/l accounts	427862.64	Cash at bank	
		loans and advances	
<b>Total</b>	<b>16185973.3</b>	<b>Total</b>	<b>16185973.3</b>

<b>LIABILITIES</b>	<b>2017</b>	<b>Assets</b>	<b>2017</b>
Share capital	3317999.9	Fixed assets	4247090.94
Reserve and surplus	8882277.41	Investment	4479960.46
loans	5385662.32	Current assets	16685938.9
Grants	33190.19	Stock in hand	
Current liabilities	7306168.88	Sundry debtors	
P/l accounts	487691.6	Cash at bank	
		loans and advances	
<b>Total</b>	<b>25412990.3</b>	<b>Total</b>	<b>25412990.3</b>

## **CHAPTER – 2**

### **CONCEPTUAL BACKGROUND AND LITERATURE REVIEW**

#### **2.1 Theoretical background of the study**

##### **Introduction of the Working Capital Management**

working capital is required for the smooth running of everyday business exercises. It is expected to fund this nature of the firm. The capital got to not be in abundance or got to not be lacking. Over the top interest in current quality would be to have a negative effect on the firm's benefit as an aftereffect of perfect speculation. On the other hand, inadequate capital can be a cause of instability for fulfilling the present necessity, which may hamper the organization's validity and thereby its name. Ordinarily, the present quality square measure kept up at doubly the degree of the present risk that is the present quality extent connection.

##### **Meaning of the Working Capital Management**

Working capital is usually characterized in bookkeeping and money-related examination as net current assets comprising of inventories' including merchandise, net receivables, advance securities, bank deposits and trade payables.

Working capital administration is the way an organization deals with the connection amongst resources and liabilities for the time being. Basically, working capital administration is the means by which an organization deals with its cash for everyday activities and in addition any quick obligation commitments. While overseeing working capital, the organization needs

to oversee records of sales, creditor liabilities, stock, and money. The objective of working capital administration is to have satisfactory income for proceeded with tasks and have the most gainful utilization of assets.

### **Types of Working Capital**

#### **on the basis of concept**

For the most part there are two ideas of working capital. They are gross working capital and net working capital. Be that as it may, they are characterized by various names. They are clarified beneath:

1) In wide sense: working capital alludes to net working capital. It is like wise characterized as money related idea or going concern idea. it implies the capital put resources into the present resources of the firm. Current resources mean the advantages which can be changed over into money effectively or inside one bookkeeping period. it helps in deciding the arrival on interest in working capital and giving right measure of working capital at correct time.

2) In tight sense: working capital alludes to net working capital. It is like wise characterized as book keeping idea. it implies overabundance of current resources over current liabilities. it helps in discovering company's ability to meet here and now liabilities and in addition demonstrates the monetary soundness of the venture.

Net working capital = current resources – current liabilities

Net working capital can be +ve or – ve. At the point when current resources are more than the present liabilities than working capital is +ve and when current resources are not as much as the present liabilities than working capital is – ve.

Toward the end we can state, that both the working capital are imperative yet as indicated by the appropriateness net working capital is reasonable for organizations having separate proprietorship or administration while net working capital is reasonable for sole dealer organizations or association firms.

### **Based on Time**

1) Permanent working capital: it is additionally called settled working capital. it intends to bear on the everyday costs the firm is required to keep up the base measure of working capital. For instance the firm is required to keep up the base level of crude material, completed merchandise or money adjust and so forth.

a) Regular working capital-normal working capital is keep up the organizations least adjust to push the everyday exchange.

b) Reserve working capital-it implies the overabundance sum over the normal working capital for questionable conditions like strike, bolt out, discouragement and so forth.

2) Temporary working capital: it is likewise called variable working capital, which is required to meet the occasional requests and additionally for extraordinary purposes.

a) Seasonal working capital-regular working capital require to address to the issues of the association.

b) Special working capital-extraordinary working capital means it require some critical exceptional motivation behind the association.

These are the sorts or order of working capital.

### **Factor of Working Capital**

Primary elements influencing the working capital are as per the following:

(1) Nature of Business:

Promotions:

The prerequisite of working capital relies upon the idea of business. The idea of business is more often than not of two sorts: Manufacturing Business and Trading Business. on account of assembling business it requires a considerable measure of investment in changing over crude material into completed merchandise. Thusly, capital remains put for quite a while in crude material, semi-completed merchandise and the stocking of the completed products.

(2) Scale of operations:

Promotions:

There is an immediate connection between the working capital and the size of tasks. At the end of the day, all the more working capital is required if there should be an occurrence of huge associations while less working capital is required if there should be an occurrence of little associations.

### (3) Business Cycle:

The requirement for the working capital is influenced by different phases of the business cycle. Amid the best time frame, the request of an item increments and deals additionally increment. Along these lines, additionally working capital is required.

### (4) Seasonal Factors:

A few merchandise are requested consistently while others have regular request. Merchandise which have uniform request the entire year their creation and deal are consistent. Thus, such ventures require small working capital.

Then again, a few products have regular request however the same are delivered nearly the entire year so their supply is accessible promptly when requested.

### (5) Production Cycle:

Creation cycle implies the time associated with changing over crude material into completed item. The more extended this time frame, the more will be the ideal opportunity for which the capital stays obstructed in crude material and semi-made items.

(6) Credit Allowed:

Those endeavors which offer products on money installment premise require small working capital however the individual is who give credit offices to the clients require all the more working capital.

(7) Credit Aailed:

In the event that crude material and different information sources are effectively accessible on layaway, less working capitalis required. In actuality, if these things are not accessible on layaway then to make money installment rapidly huge measure of working capital will be required.

(8) operating Efficiency:

Working proficiency implies proficiently finishing the different business tasks. Working proficiency of each association happens to appear as something else.

(9) Availability of Raw Material:

Accessibility of crude material additionally impacts the measure of working capital. on the off chance that the undertaking makes utilization of such crude material which is accessible effortlessly consistently, at that point less working capital will be required, on the grounds that there will be no compelling reason to stock it in substantial amount.

Despite what might be expected, if the endeavor makes utilization of such crude material which is accessible just in some specific periods of the year while for constant generation it is required all the year round, at that point expansive amount of it will be supplied. The situation being what it is, additionally working capital will be required.

(lo) Growth Prospects:

Development implies the advancement of the size of business tasks (creation, deals, and so forth.). The associations which have adequate potential outcomes of development require all the more working capital, while the case is diverse in regard of organizations with less development prospects.

(ll) level of Competition:

Abnormal state of rivalry builds the requirement for all the more working capital. Keeping in mind the end goal to confront rivalry, more stock is required for speedy conveyance and credit office for a long stretch must be made accessible.

(l2) Inflation:

Expansion implies ascend in costs. In such a circumstance more capital required than before keeping in mind the end goal to keep up the past size of generation and deals. Consequently, with the expanding rate of expansion, there is a comparing increment in the working capital.

## **LITERATURE REVIEW**

1. Bhatt V. V. (1972) broadly touches upon a technique for assessing working capital back uses of extensive assembling .it expresses that comparable techniques should be concocted for different divisions, for example, agribusiness. The creator is of the view that banks while giving here and now back, focus their consideration on sufficiency of security and reimbursement .on being happy with these two criteria they don't by and large complete any detail examination of the working capital.

2. Smith Keith V. (1973) trusts that Research which concerns shorter range or basic leadership would seem to have been less beneficial. The powerlessness of monetary supervisors to plan and control appropriately the present resources and current liabilities of their individual firms has been the reasonable justification of business disappointment as of late. Current resources on the whole speak to the single biggest speculation for some organizations, while current liabilities represent a noteworthy piece of aggregate financing in numerous occurrences. This paper covers eight particular ways to deal with working capital administration. The initial three - total rules, imperatives set and cost adjusting are fractional models; two different methodologies - likelihood models and portfolio hypothesis, underline future 94 vulnerability and interferences while the staying three methodologies - numerical programming, various objectives and monetary recreation have a more extensive precise core interest.

3. Chakraborty S. K. (1974) tries to recognize money working capital v/s asset report working capital. The investigation depends on the accompanying measurements: a) Working capital in like manner speech b) operating cycle idea b) Computation of working cycle period in all the four cases. The motivation behind the investigation is to show working cycle ideas in view of distributed yearly reports of the organizations.

4. Natarajan Sundar (1980) is of the feeling that working capital is critical at both, the national and the corporate level. Control on working capital at the national level is practiced essentially

through credit controls. The Tandon Study Group has given a far reaching operational structure to the same. In operational terms, productive working capital comprises of deciding the ideal level of working capital, financing it creatively and practicing control over it. He reasons that at the corporate level interest in working capital is as critical as interest in settled resources. Furthermore, particularly for an organization which isn't developing, survival will be conceivable just insofar as it can coordinate increment in operational cost with enhanced operational proficiency, a standout amongst the most critical parts of which is administration of working capital.

5. Kaveri V. S. (1985) has constructed his writing in light of the RBI's ponderings on accounts of extensive open constrained organizations. This audit of working capital fund alludes to two purposes of time i.e., the bookkeeping years finishing in 1979 and 1983 and depends on the information as given in the Reserve Bank of India on investigations of these organizations for the individual dates. He watches that the Indian business has all things considered neglected to change its example of working capital financing with regards to the standards proposed by the Chore Committee. While the situation of working capital administration demonstrated some speculation between 1975-79 and 1979-83, ventures have not prevailed with regards to extending the base of long haul assets to the coveted degree. The writer closes with the perception that in spite of giving adequate time to the businesses to rearrange the capital structure in order to move from the primary technique to the second strategy, advance accomplished towards this end missed the mark concerning what was wanted under the second strategy for working capital back. 95

6. Bhattacharyya Hrishikes (1987) tries to build up a far reaching hypothesis and device of working capital administration from the system's perspective. As per this examination, capital is frequently used to allude to capital merchandise comprising of an incredible assortment of things, in particular, machines of different sorts, plants, houses, apparatuses, crude materials and products in-process. A back director of a firm searches for these things on the benefits side of the asset report. For capital he directs his concentration toward the

opposite side of the asset report and never confers a misstep. His motivation is to adjust the two sides such that total assets of the firm increments without expanding the hazard of the business. This adjusting is financing, i.e., financing the advantages of the firm by producing floods of liabilities persistently to coordinate with the dynamism of the previous. The investigation is a change of the idea of Park and Gladson who were not ready to catch the whole technofinancial working structure of a firm.

7. Rao K.V. also, RaoChinta (1991) watch the solid and frail purposes of regular methods of working capital examination. The outcome has been clearly blended while a portion of the traditional strategies which could appreciate the working capital conduct well; others flopped in doing the activity legitimately. The creators have endeavored to assess the effectiveness of working capital administration with the assistance of ordinary procedures i.e., proportion examination. The article closes goading future researchers to look for a far reaching and unequivocal measuring stick in assessing the working capital productivity.

8. Hamlin Alan P. what's more, Heath field David F. (1991) opine that working capital is essential contribution to the creation procedure but is disregarded in most monetary models of generation. The ramifications of displaying the time measurement of generation, and consequently, the working capital necessities of firms are investigated, with the specific pressure set on the upper hand picked up by firms that held adaptability in the time structure of their creation. In this article they have endeavored to investigate just this most essential part of time in the generation procedure thus center is around the ramifications of unequivocally perceiving the requirement for working capital.

9. Zaman M. (1991) ponders the working capital administration practices of Public Sector Jute Enterprises in Bangladesh which have been observed to be truly influenced. This has been ascribed to a few components like low interest for jute merchandise and genuine rivalry in the global market, inadequate stock administration strategy, poor gathering approach and

wasteful money arrangement. The creator has detailed a long haul adaptable and operational working capital administration show. In conclusion he has recommended the model which would surely help enhance the working capital administration practices of the jute business specifically and other open endeavors too in Bangladesh.

10. Fazzari Steven M. furthermore, Petersen Bruce C. (1993) tosses light on new tests for back limitations on venture by underlining the frequently disregarded part of working capital as both an utilization and a wellspring of assets. The creators trust that working capital is likewise a wellspring of liquidity that ought to be utilized to smooth settled venture with respect to income stuns if firms confront fund imperatives. They have discovered that working capital venture is "too much touchy" to income variances. Plus, when working capital speculation is incorporated into a settled venture relapse as an utilization or wellspring of assets, it has a negative coefficient. They reason that controlling for the smoothing part of working capital outcomes in a considerably bigger gauge of the long-run effect of back limitations than revealed in different investigations.

11. Hossain Saiyed Zabid and Akon Md. Habibur Rahman (1997) underscore the fundamental goal of working capital administration i.e., to orchestrate the required working capital assets at the opportune time, at right cost and from right source with a view to accomplishing an exchange off amongst liquidity and gainfulness. The examination uncovers that BTMC had taken after a forceful working capital financing arrangement going out on a limb of liquidity. There was continuous expanding pattern in negative net working capital all through the time of the examination which recommended that BTMC had abused the whole here and now sources accessible to it without thinking about the genuine needs.

12. Ahmed Habib (1998) brings up that when the financing cost is incorporated; cash loses its prescient power on yield. The examination elucidates this finding by utilizing a judicious desire to demonstrate where creation choices of firm required obligation fund working capital. Working capital is a critical factor and its cost, the rate of intrigue, influences the supply of products by firms. Money related strategy stuns, subsequently, influence the financing cost

and the supply side, and accordingly cost and yield created by firms. The model shows this can cause the present energy of money related stuns on yield to lessen when the loan cost is utilized as a part of 97 exact examination. The model additionally suggests the impacts of money related strategy on the value level through the supply side (cost push) factors.

13. Prof. Mallick Amit and Sur Debasish (1998) endeavor to make an experimental investigation of AFT Industries Ltd, a tea creating organization in Assam for evaluating the effect of working capital on its gainfulness amid the period 1986-87 to 1995-96. The creator has investigated the co-connection amongst ROI and a few proportions identifying with working capital administration. All in all, this investigation of the relationship between the chosen proportions in the territory of working capital administration and productivity of the organization uncovered both negative and beneficial outcomes. Additionally, the WC of the organization recorded a fluctuating pattern amid the period under examination.

14. Hossain, Syed Zabid (1999) tosses light on the different parts of working capital position. He has assessed working capital and its parts using proportion examination. For every part of examination certain proportions are processed and afterward comes about are contrasted and the standard proportion or industry normal

15. Singaravel, P. (1999) centers around the interdependency among working capital, liquidity and benefit, of which adequacy of liquidity comes in the principal inclination took after by adequacy of working capital and productivity. The article is a top to bottom investigation of liquidity and its interrelationship with working capital and productivity. As the working capital, liquidity and gainfulness are in triangular position, none is unnecessary at the fulfillment of the other. Abundance of stock-in-exchange over bank over-draft and overabundance of fluid resources over current liabilities other than bank over-draft produce

working capital for the business. on the other hand working capital prerequisites are made for long haul stores which influence the benefit.

16. Garg Pawan Kumar (1999) centers around the investigation of working capital pattern and liquidity examination in the chose open part endeavors of Haryana. The investigation recommends estimating of working capital prerequisite kept chiefly to different parts of working capital. In the wake of considering the actualities the creator understood the requirement for legitimate evaluation and anticipating of working capital in people in general part attempted. For this reason, he has recommended the examination of creation plan, deals drift, work cost and so forth., ought to be mulled over. He additionally recommended the requirement for better administration of segments of working capital.

17. Batra G. S. what's more, Sharma A. K. (1999) break down the working capital position of Goetze (I) ltd. with the assistance of different proportions. They are of the view that the working capital position in the organization is very palatable despite the fact that they have recommended a couple of measures for encourage change in administration of working capital, similar to need of more noteworthy consideration in the stock control; dynamic deals division, rapid dispatch of requests and diminishment of reliance on exchange loan bosses.

18. Batra Gurdeep Singh (1999) gives an outline of working capital and its determinants. As per the creator working capital administration includes settling on the sum and piece of current resources and how to back them. He accentuates on the supporting way to deal with fund current resources. He additionally includes that an administration can utilize proportion investigation of working capital as a methods for checking upon the proficiency with which working capital is being utilized as a part of the undertakings.

19. Bansal S. P. (1999) watches that because of the preservationist approach of the organization I ) Short-term leasers position with respect to their claim is debilitated because of absence of assets, ii ) The organization was not following uniform arrangement in regards to the accumulation of account holders, and iii ) Inefficiency with respect to the administration causes over interest in inventories. Thus a major circumstance emerged because of lack of working capital. The creator cautions the partnership that on the off chance that it didn't design its money needs legitimately, it would be prompt chapter II.

20. Bansal S. P. (1999) opines that working capital administration alludes to the administration of current resources and current liabilities for keeping up the ideal levels of different segments and expanding the gainfulness of an endeavor.

## **CHAPTER – 3**

### **RESEARCH DESIGN**

#### **3.1 Statement of the problem**

This report learn about "Working Capital Management" of CDGL. Each organization objective is guarantee they can proceed with the task and have sufficient income fulfill developing the operational costs. The working Capital includes ideal short choice and fast choice in the administration exercises. on the off chance that there is misfortunes of the organization at least effect on prompting genuine utilitarian status of the firm. With no appropriate learning of working capital administration. on the off chance that pioneer whole with non-ideal choice which willaffecton the task.

#### **3.2 Need for the study**

An aim of study is to know the levelof working capital administration in CDGL. What's more, locate the diverse proportion identifying with the working capital in this firm and this investigation relies upon different factor, for example, levelof operational proficiency, and stock approaches and furthermore nature of the firm.

#### **3.3 Objectives**

- To find the effect of income on working capital
- To Asses working capital Position
- To Evaluate the money related position of the silk business
- To study the changes in working capital position.

- To evaluate the profitability of the company.

### **3.4 Scope of the study**

Extent of the examination demonstrate the money related level in firm. it considers the money related position In CDGL, to taking the proportion and accounting report data the investigation of the working capital is base on apparatuses like Ratio examination Statements of progress in WC. Facilitate the examination depends on a year ago Annual Report of CDGL. Furthermore, contemplate the adequacy of the working capital over the time of the time 5 year and propose to the firm the different measure to deal with the working capital all the more successfully.

### **3.5 Research Methodology**

#### **3.5.1 Research methodology**

##### **Primary Data**

The data were gathered specifically meet with monetary supervisor and staff individuals in the firm.

##### **Secondary data**

The principle wellsprings of auxiliary information are gathered from the money related articulation of the CDGL. What's more, primary data were gathered from the last reports and benefit and misfortune account and other data accumulated from the web and paper source.

### **3.5.2 sample design**

The investigation proposes to utilize Analytical research plan

### **3.5.3 proposed methodology**

Pattern examination, proportion investigation, working cycle, proclamation change in working capital,

## **3.6 Hypotheses**

### **Null Hypotheses**

There is no relationship in both, level of working capital and productivity of an association.

### **Alternative Hypotheses**

In this speculation there is connection between in level of working capital and productivity of an association.

## **3.7 limitation of the study**

- Duration of the investigation just couple of month
- Project report readiness take just 5 years of budgetary information
- limited cooperation between the head officers because of deficiency of time
- limitation of proportion examination are not considered

## CHAPTER – 4

### DATA ANALYSIS AND INTERPRETATION

#### CURRENT RATIO

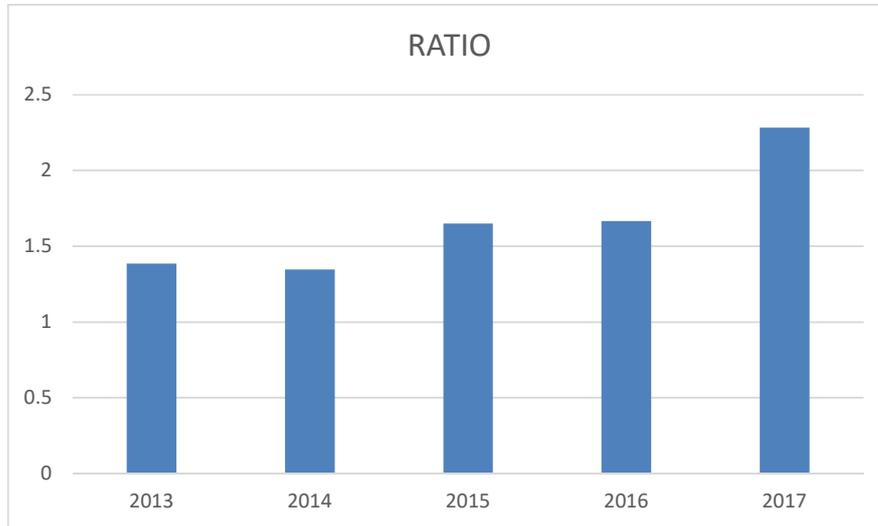
**Current ratio = CA / CL**

YEAR	CA	CL	RATIO
2013	8486924.9	6120691.2	1.38659583
2014	9486924.92	7038339.36	1.34789251
2015	7598221.16	4602344.81	1.65094565
2016	8910893.79	5344641.66	1.66726
2017	16685938.9	7306168.88	2.28381511

**SOURCE; EXTRACTED**

**FROM THE ANNUAL REPORT IN THE YEAR 2013-2017**

**Graph ; 4.1** Showing the percentage of current ratio year ending 2013-17



**Source; table 4.1**

#### **Analysis and interpretation**

the above graph shows the changes in the current ratio in fallow in the year 2012-2013. It was 1.38%. In the year 2013-2014 decreased by 1.34% and the 2014-2015 the % drastically reaches 1.65%. In the year 2015-2016 the current ratio again increase to 1.66% in the year 2016-2017 the current reaches to 2.283% the graph shows it is Inferred the current ratio of the firm is increased is compared to the previous year.

#### 4.2 PROFIT TO INCOME RATIO

This ratio indicated the relationship between profit and total income in the firm.

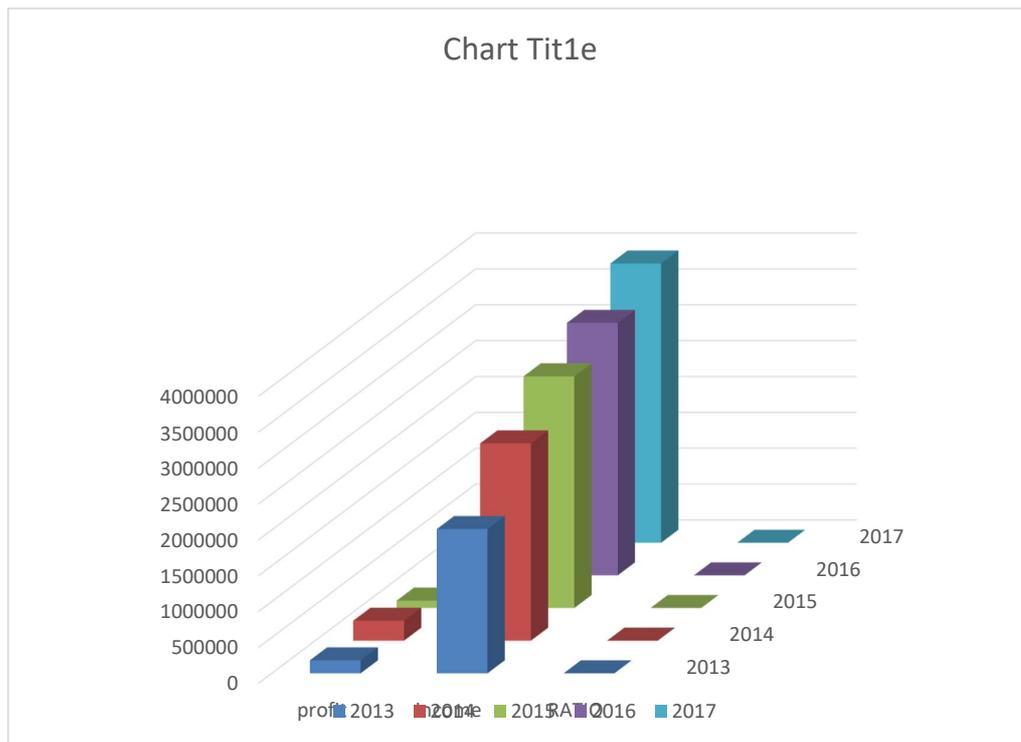
$$\text{PROFIT TO INCOME RATIO} = \text{PROFIT} / \text{TOTAL INCOME} * 100$$

**Table 4.2 showing the profitability ratio to income from 2013-17**

Year	Profit	Income	RATIO
2013	181183.35	2010835.47	9.010351802
2014	278832.5	2750252.82	10.13843156
2015	103299.06	3230544.26	3.197574516
2016	427862.64	3520116.46	12.15478649
2017	487691.6	3893566	12.52557681

**SOURCE ; Extracted From The Annual Report In The Year 2013-2017**

**Graph ; 4.2 Showing the percentage of profit to income ratio year ending 2013-17**



**Analysis and interpretation**

the above graph shows the there is variation of profit for each year. in the year 2012-2013. It was 9.01% In the year 2013-2014 increased by 10.13% and the 2014-2015 the % drastically reaches 3.19% In the year 2015-2016 the profitability Ratio again increase to 12.15% in the year 2016-2017 the current reaches to 12.52% the graph shows it is Inferred the profit to income ratio of the firm is increased is compared to the previous

#### 4.3 PROPRIETARY RATIO

The proprietary ratio is the shows the relationship between share capital and reserve fund surplus and total asset.

$$\text{PROPRIETARY RATIO} = \frac{\text{SHARE HOLDER FUND}}{\text{TOTAL ASSET}} * 100$$

Table 4.3 table showing the proprietary from 2013 – 2017

Year	Shareholder fund	Total Asset	Proprietary ratio %
2013	1779000	10417158.4	17.07759383
2014	3277000	12417158.4	26.39090116
2015	1274000	14536568.86	8.764103911
2016	1841000	13343175.48	13.79731536
2017	3317999.9	20933029.84	15.8505478

Source ; `Extracted from annual report from 2016-2017

**Graph ; 4.3 Showing the percentage of profitability ratio year ending 2013-17**



**ANALYSIS AND INTERPRETATIoN**

The proprietary ratio is express the relationship between share capital, Reserve fund and total assert. The proprietary ratio in the year 2013, it was 17.07%. Proprietary ratio was the declared by the 26.39%a the year 2014, in the ear 2015 2016 and 2017 proprietary ratio 8.76%, 13.79%, 15.85% respectively.

#### 4.4 NET PROFIT RATIO

Net profit ratio is the ratio which express the relationship between the net profit and loans and advances . It shows the loans are primary income earning asset for every balance sheet

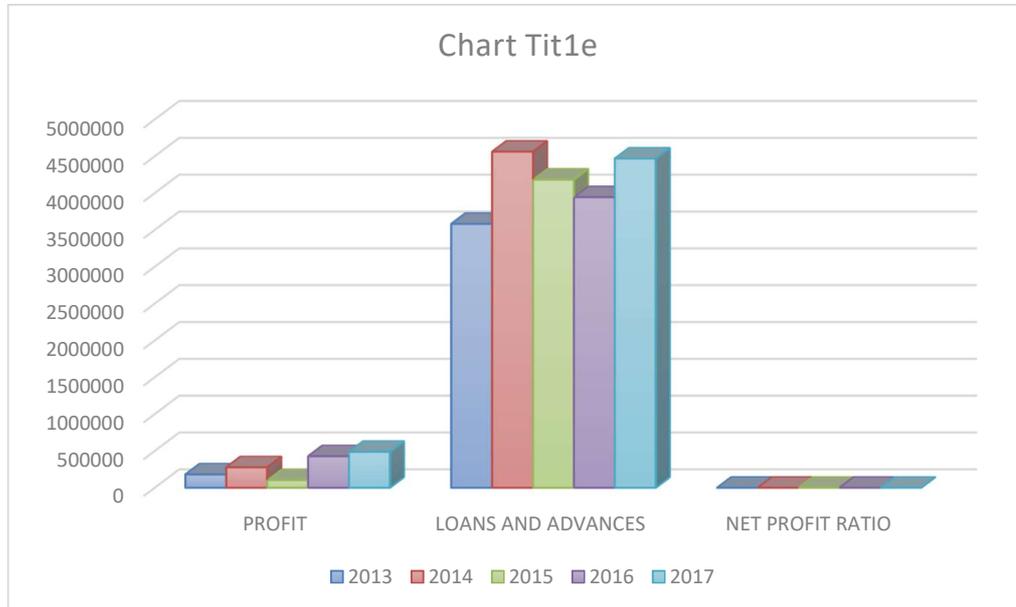
$$\text{NET PROFIT} = \frac{\text{NET PROFIT}}{\text{LOANS AND ADVANCERS}} * 100$$

#### LOANS AND ADVANCERS

YEAR	PROFIT	LOANS AND ADVANCERS	NET PROFIT RATIO
2013	181183.35	3582470.3	5.057497616
2014	278832.5	4562540.2	6.111343413
2015	103299.06	4183910.9	2.468959365
2016	427862.64	3944759.8	10.8463547
2017	487691.6	4469798.9	10.91081749

SOURCES ; Extracted from annual report in the year 2013-2017

**Graph 4.4 showing net profit ratio year ending 2013-2017**



**ANALYSIS AND INTERPRETATION**

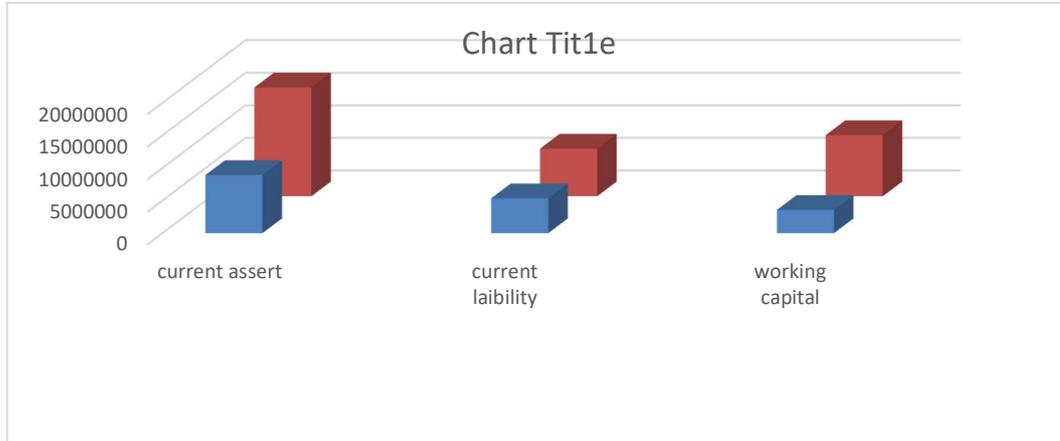
From the above graph shows the net profit ratio in 2012-2013 was 5.05% and the 2013-2014 the net profit increased at 6.11%. during the 2014-2015 the net profit was decreased 2.46%. in the year 2015-2016 the ratio increased 10.84% compared to the last three year. The net profit ratio has increased to 10.91% to in the year 2017 as compared to past year. This ratio has recorded the highest % of 10.91% among the all year. The firm maintained good level of profitability.

**Table 4.11 Showing Changes In Working Capital For The Year 2013 And 2014**

			<b>EFFECT OF WORKING CAPITAL</b>	
	<b>Year</b>			
<b>Particular</b>	<b>31-03-13</b>	<b>31-03-14</b>	<b>INCREASE</b>	<b>DECREASE</b>
<b>CURRENT ASSETS</b>	8486924.9	9486924.92	<b>1000000.02</b>	
<b>OTHER ASSETS</b>	<b>0</b>	<b>0</b>		
<b>TOTAL CA (A)</b>	8486924.9	9486924.92	<b>1000000.02</b>	
<b>CURRENT LAIBILITIES</b>	6120691.2	7038339.36	<b>917648.16</b>	
<b>OTHER LAIBILITIES</b>	<b>0</b>	<b>0</b>		
<b>TOTAL CL (B)</b>	6120691.2	7038339.36	<b>917648.16</b>	
<b>WORKING CAPITAL</b>	<b>2366233.7</b>	<b>2448585.56</b>	<b>82351.86</b>	
<b>(A-B)</b>				

**SoURCE: extracted from annual report 2013-2014**

**Fig 4.11 figure showing the changes in working capital for the year 2013 and 2014**



**Analysis and interpretation**

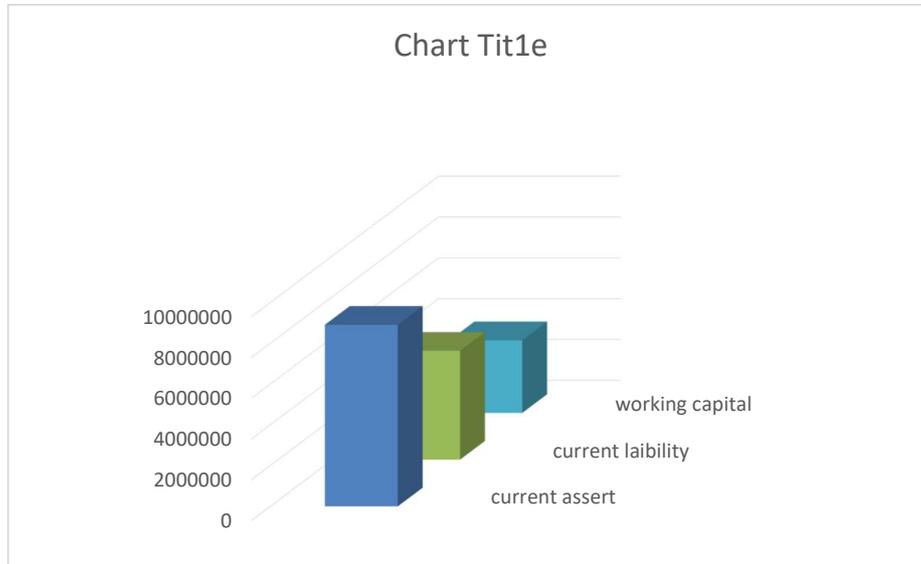
Above the graph and table are showing changes of wc from 2013 to 2014. Above table showing the current asserts 2013 is 8486924.9 and 2014 is 9486924.92. here, CA is increased compared to CI. CURRENT LAIBILITIES is 6120691.2 and 7038339.36 in the year 2013 and 2014 respectively. WC is increased to 82351.86 compared to past year. WC changes comes positive result, the above graph indicates the shortage to difference of CA and CI compared to past year

**Table 4.12 Showing Changes In Working Capital For The Year 2014 And 2015**

Particular	Year		EFFECT OF WORKING CAPITAL	
	31-03-14	31-03-15	INCREASE	DECREAS
<b>CURRENT ASSETS</b>	9486924.92	7598221.16		1888703.76
<b>OTHER ASSETS</b>	<b>0</b>	<b>0</b>		
<b>TOTAL CA (A)</b>	9486924.92	7598221.16		
<b>CURRENT LAIBILITIES</b>	7038339.36	4602344.81		2435994.55
<b>OTHER LAIBILITIES</b>	<b>0</b>	<b>0</b>		
<b>TOTAL CL (B)</b>	7038339.36	4602344.81		2435994.55
<b>WORKING CAPITAL (A-B)</b>	<b>2448585.56</b>	<b>2995876.35</b>	<b>547290.79</b>	

**SOURCE: Extracted From Annual Report 2014-2015**

**Fig 4.12 fig showing the changes in working capital for the year 2014 and 2015**



### **Analysis and interpretation**

Above the graph and table are showing changes of wc from 2014 to 2015. Above table showing the current asserts 2013 is 8486924.9 and 2014 is 9486924.92. here, CA is increased compared to Cl. CURRENT LAIBILITIES is 6120691.2 and 7038339.36 in the year 2013 and 2014 respectively. WC is increased to 82351.86 compared to past year. WC changes comes positive result, the above graph indicates the shortage to difference of CA and Cl. compared to past year

**Table 4.13 Showing Changes In Working Capital For The Year 2015 And 2016**

Particular	Year		EFFECT OF WORKING CAPITAL	
	31-03-15	31-03-16	Particular	DECREAS
<b>CURRENT ASSETS</b>	7598221.16	8910893.79	<b>1312672.63</b>	
<b>OTHER ASSETS</b>	<b>0</b>	<b>0</b>		
<b>TOTAL CA (A)</b>	7598221.16	8910893.79	<b>1312672.63</b>	
<b>CURRENT LAIBILITIES</b>	4602344.81	5344641.66	<b>742296.85</b>	
<b>OTHER LAIBILITIES</b>	<b>0</b>	<b>0</b>		
<b>TOTAL CL (B)</b>	4602344.81	5344641.66		
<b>WORKING CAPITAL (A-B)</b>	<b>2995876.35</b>	<b>3566252.13</b>	<b>570375.78</b>	

**SOURCE: Extracted From Annual Report 2015-2016**



### Analysis and interpretation

Above the graph and table are showing changes of wc from 2015 to 2016. Above table showing the current asserts 2015 is 7598221.16 and 2016 8910893.79. here, CA is increased compared to CL. CURRENT LAIBILITIES is 4602344.81 and 7038339.36 in the year 2015 and 2016 respectively. WC is increased to 570375.78 compared to past year. WC changes comes positive result, the above graph indicates the shortage to difference of CA and CL compared to past year 570375.78.

**Table 4.14 Showing Changes In Working Capital For The Year 2016 And 2017**

Particular	Year		EFFECT OF WORKING CAPITAL	
	31-03-16	31-03-17	Particular	DECREAS
<b>CURRENT ASSETS</b>	8910893.79	16685938.9	<b>7775045.11</b>	
<b>OTHER ASSETS</b>	<b>0</b>	<b>0</b>		
<b>TOTAL CA (A)</b>	8910893.79	16685938.9	<b>7775045.11</b>	
<b>CURRENT LAIBILITIES</b>	5344641.66	7306168.88	<b>1961527.22</b>	
<b>OTHER LAIBILITIES</b>	<b>0</b>	<b>0</b>		
<b>TOTAL CL (B)</b>	5344641.66	7306168.88	<b>1961527.22</b>	
<b>WORKING CAPITAL (A-B)</b>	<b>3566252.13</b>	<b>9379770.02</b>	<b>5813517.89</b>	

**SOURCE:** Extracted From Annual Report 2016-2017



### **Analysis and interpretation**

Above the graph and table are showing changes of wc from 2016 to 2017. Above table showing the current asserts 2016 is 8910893.79 and 2017 16685938.9. here, CA is increased compared to Cl. CURRENT LAIBILITIES is 7038339.36 and 7306168.88 in the year 2016 and 2017 respectively. WC is increased to 5813517.89 compared to past year. WC changes comes positive result, the above graph indicates the shortage to difference of CA and Cl compared to past year 5813517.89

## CHAPTER - 5

### SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

#### SUMMARY OF FINDINGS

- We can find many ups and downs in current Ratio of the firm. ratio was increased in the year 2012-2013. It was 1.38%. In the year 2013-2014 decreased by 1.34% and the 2014-2015 the % drastically reaches 1.65%. In the year 2015-2016 the current ratio again increase to 1.66% in the year 2016-2017 the current reaches to 2.283% the graph shows it is inferred the current ratio of the firm is increased as compared to the previous year.
- The ratio of profitability we can find ups and downs in financial year profit and total incomes are increase in the year of 2013 to 2014. And its continuously increase to 2014 to 2017.
- The proprietary ratio in the year 2013, it was 17.07%. Proprietary ratio was the declared by the 26.39% the year 2014, in the year 2015 2016 and 2017 proprietary ratio 8.76%, 13.79%, 15.85% respectively.
- the net profit ratio in 2012-2013 was 5.05% and the 2013-2014 the net profit increased at 6.11%. during the 2014-2015 the net profit was decreased 2.46%. in the year 2015-2016 the ratio increased 10.84% , 10.91% , 10.91%.
- statement changes in we shows the CA are decreased in the year 2014 to 2015.

## **SUGGESTIONS**

- should provide the online services to their customer and it will help to their customer.
- The Profit increase from year to year so the firm concentrate the profit.
- The firm adopt the modern Technology.
- The firm should provide the infrastructure facility to customer.

## **CONCLUSION**

overall my project report I studies and analyzed that firms working capital level. this provided internship project to us. I had faced some problems while gathering the financial data, firm information and history and balance sheet of specific years. on over view of study, I attempt to provide my findings and suggestion regarding to the firm. I can able to see from that study of firm to concentrate on the working capital is in level which can get by the keeping money segment. this association have sufficient working capital. the Association performance increased from year to year. And firm have to going to the profit.

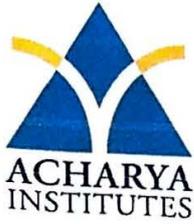
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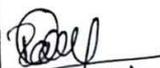
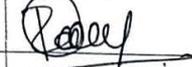


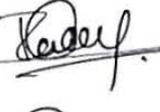
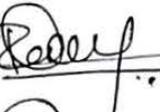
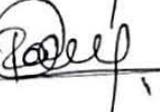
ACHARYA INSTITUTE OF TECHNOLOGY  
DEPARTMENT OF MBA

PROJECT WEEKLY REPORT (16MBAPR407)

Name of the Student: SANDEEP G  
Internal Guide : Prof. DR. Ramanaiah G  
USN No : 1AY16MBA68  
Specialization : Core Finance  
Title of Project : A study on Working Capital Management at COFFEE DAY  
GLOBAL LIMITED CHIKMANGALUR

Company Name: COFFEE DAY GLOBAL LIMITED

Week	Work undertaken	External Guide Signature	Internal Guide Signature
15-01-2018 to 19-01-2018	Introduction about CDGL and its operation		
22-01-2018 to 26-01-2018	Learning about different operations and Products by CDGL		
29-01-2018 to 02-02-2018	Orientation and Gathering Information about the company		
05-02-2018 to 09-02-2018	Analysis of Market Position of the company		
12-02-2018 to 16-02-2018	Research problem Identification		

19-02-2018 to 23-02-2018	Preparation of the research instrument for data collection		
26-02-2018 to 02-03-2018	Theoretical background of the study		
05-03-2018 to 09-03-2018	Data collection and Data analysis		
12-03-2018 to 16-03-2018	Interpretation of the data gathered during the survey		
19-03-2018 to 23-03-2018	Final report preparation and submission		

For Coffee Day Global Ltd ,

  
Company seal  


  
College seal

Head of the Department  
Department of MBA  
Acharya Institute of Technology  
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