

WLA/HRD/5366/3/2018

24th March 2018

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Mr. Naveen D bearing identification number 1AY16MBA44, MBA student from Acharya Institute of Technology, Bangalore -560107, has successfully completed his project report on "Working Capital Management at Wonderla Holidays Ltd" Bangalore from 15th January 2018 to 24th March 2018.

All obligatory Information is been provided in order to establish this project.

We wish him all the best for his future endeavors.

For Wonderla Holidays Ltd

Authorised Signatory



Branches

Bangalore Park (Reg. Office) : 28th KM, Mysore Road, Bangalore - 562 109 | Ph : +91 80 22010300 | E-mail : mail.blr@wonderla.com
Kochi Park : Pallikkara, Kumarapuram P.O., Kochi : 683 565 | Ph : +91 484 2684001 | E-mail : mail.cok@wonderla.com
Hyderabad Park : ORR Exit No. 13, Ravirala Post, Hyderabad : 501 510 | Ph : +91 40 23490300 | Email : mail.hyd@wonderla.com
Bangalore Resort : 28th KM, Mysore Road, Bangalore - 562 109 | Ph : +91 80 33710333 | E-mail : resort.blr@wonderla.com



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. Naveen D** bearing USN **1AY16MBA44** 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 Wonderla Holidays Ltd. Bangalore**” 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

Signature of HOD
Head of the Department
Department of MBA
Acharya Institute of Technology
Soldevanahalli, Bangalore-560 107

Signature of Principal
ACHARYA INSTITUTE OF TECHNOLOGY
SOLDEVANAHALLI, BENGALURU 560 107

DECLARATION

I NAVEEN D from 3rd semester student of MBA in AIT do hereby declare that this project work report titled "PROJECT REPORT ON WORKING CAPITAL MANAGEMENT", BANGALORE has been submitted by me in partial fulfillment of the requirement for the award of the degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum, Karnataka during the academic year 2016-2018.

I have undergone a summer project for a period of 10 weeks, ie from 15-01-2018 to 24-03-2018 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: Bangalore

Date: 30/5/2018


Signature of the student

ACKNOWLEDGEMENT

It's a pleasure to acknowledge with thanks to the people who guide me to complete this project successfully.

I would like to thank my external guide **MR Srinivas**, HR AT WONDER LA HOLIDAYS LIMITED, BANGALORE, who helped me to complete my project successfully by providing guidance and encouragement.

I'm thankful to my internal guide **Dr. G Ramanaiah** MBA DEPARTMENT, ACHARYA INSTITUTE OF TECHNOLOGY, BANGALORE, for this constant support, suggestion, guidance, and encouragement to complete the project successfully.

My sincere thanks to **DR. NIJAGUNA**, HOD, DEPARTMENT OF MBA, AACHARYA INSTITUTE OF TECHNOLOGY, BANGALORE, whose timely suggestions and encouragement supported to complete this project.

Finally, I'm grateful to every hand that rendered help directly or indirectly for their guidance, support and encouragement.

Place: Bangalore

Date:

TABLE OF CONTENTS

TABLE OF CONTENTS

Chapter No	Titles	Page Numbers
	Executive summary	1
1	Introduction	
	1.1 Introduction about the Internship	2
	1.2 Industry Profile	2
	1.3 Company Profile	3
	1.4 Vision, Mission and Quality Policy	8
	1.5 Areas of Operation	13
	1.6 Infrastructure Facilities	14
	1.7 Competitors Information	15
	1.8 SWOT Analysis	15
	1.9 Promoters and Developers	16
	1.10 Financial Statements	18
2	Conceptual Background and Literature Review	
	2.1 Theoretical Background of the Study	21
	2.2 Literature Review	23
3	Research Design	
	3.1 Statement of the Problem	28
	3.2 Need for the Study	28
	3.3 Objectives of the Study	29
	3.4 Scope of the Study	29
	3.5 Research Methodology	29
	3.6 Limitations of the Study	30
4	Analysis and Interpretation	
	Analysis of Turnover Ratios	31
5	Findings, Conclusions and Suggestions	
	5.1 Summary of Findings	39
	5.2 Conclusions	40
	5.3 Suggestions	41
	Bibliography	42
	Annexure	44

List of tables

Table no	Title of the table	Page no
1	Current ratio	31
2	Quick ratio	32
3	Asset Turnover Ratio	33
4	Fixed Asset Ratio	34
5	Proprietary Ratio	35
6	Return on Shareholders Fund	36
7	Capital Turnover Ratio	37
8	Earnings per share ratio	38

List of graph

Table no	Title of the table	Page no
1	Curennt ratio	31
2	Quick ratio	32
3	Asset Turnover Ratio	33
4	Fixed Asset Ratio	34
5	Proprietary Ratio	35
6	Return on Shareholders Fund	36
7	Capital Turnover Ratio	37
8	Earnings per share ratio	38

EXECUTIVE SUMMARY

This is an attempt to know how the theories can be applied to practical situation. As am the student of MBA, it is a part of study for everyone to undergo Summer Project at some good institute or organization. So for this purpose, I got the opportunity of doing my Internship program at Wonder la Holidays Limited.

In the initial part of the Project report, the general information of the company has been collected by te process of individual survey. Information is gathered through the primary and secondary source as well.

Wonder la Holidays Limited was started as a an individual firm in kerla named as Veega land. It started with the motive to entertain the people and mainly to the children's, and later it opened its branch in Bangalore and latter it is planning to open its franchises in Hyderabad and Chennai.

As the main purpose of internship is to learn by working in practical environment and to apply the knowledge acquired during the studies in a real world scenario in order to tackle the problems using the knowledge and skill learned during the academic process.

This report also contains my perceptions about the employee's satisfaction, consumers level and their satisfaction and the working environment of the organization.

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION ABOUT THE INTERNSHIP

Internship program aims to provide the student the industry awareness where they can apply the knowledge which the students have learnt in their classes. Internship helps to gain in depth knowledge about the particular area of the study and thus helps in developing the skills required to work in the particular field. The Internship project work was generally for a period of 10 weeks i.e. from 15th January 2018 to 24th March 2018.

The major aim is to develop and make them to think in a professional manner. The students are expected to use their skills, knowledge and ability which help them to build their personality and capacity where they can adapt or adjust to and handle or overcome the challenging situations which they come across in the real business life or world. During the project, we can acquire the skills, communication skills, the interpersonal skills, the industrial skills, and the decision making and the problem solving skills.

1.2 INDUSTRY PROFILE

Introduction

Wonder la park industry in India is more than 2 decades old and is still at nascent stage. India's stint wit amusement park started , the first amusement park, in 1985.

Major expansion happened in 1991s with opening ceremony of Essel World in Mumbai, Nicco Park in Tamil nadu, Ramoji Film City in Andra pradesh, etc. Segmental pyramid of amusement parks in India is substantially flatter with a preference for small parks. This company capital as well as land intensive as high park require an huge investment above Rs. 600 million and land of more than 35 acreas

At a time when the economy has been facing a slowdown in almost all segment, parks sector has recorded a growth and their projections show that this development is going to continue in future years.

“We have recorded a modest increase of 7 per cent in the year 2012, at a time when the overall health of the Indian economy wasn’t too encouraging. This has made us all very optimistic about the future growth. Many theme parks have sprung up in different parts of the country,” says Yogesha Dange, President of Indian Association of Wonderla Holidays Limited.

Meanwhile, market intelligence firm Euro monitor has pointed out that 152 amusement parks have come up in India between 1985 and 2014. It started with Appur Ghar in New Delhi, set up by a Sweden-based Indian businessman - this park was shut in 2007. However, another pioneer Mumbai’s Easel World began in 1987 - promoted by media baron Subash Chandru and partner Ashoka Goel and it does well.

1.3 COMPANY PROFILE

Wonderla Holidays Limited is a leading amusement park designing and operating company in India headquartered near Bidadi, 28 kilometres (17 mi) from Bangalore. It is promoted by Kochouseph Chittilappilly and his son Arun Chittilappilly. Wonderla's flagship amusement park located at the same address is the second theme park project from the company and has been operational since October 2005. It is spread over an area of 82 acres (33 ha). The first amusement park, Wonderla Kochi, was set up in 2000. The parks have been set up with a total investment of over ₹2.5 billion (US\$37 million).

Safety and hygiene systems

Wonderla is one of the only 2 amusement parks in India to implement OHSAS 18001:2007 safety standards. All attractions and components are maintained according to strict tolerances for performance. Wonderla has the recycling process for the use of water which is used by the water games. The park has a water high quality control laboratory to monitor quality level of water used for different types of purposes.

Environment friendliness

The company has planted more than 2000 trees in order to develop natural shade in the park. The park also has an extensive rainwater harvesting system that collects even roof rain

water for drinking purposes. The rain water is collected in various tanks depending on the quality and intended usage, and has a combined capacity to collect over 20 million litres. Wonderla also uses solar energy extensively to heat water in pools and kitchens.

R&D

Wonderla has two R&D units located in Bangalore and Cochin. Among the various rides manufactured by in-house R&D team, XD-Max is one of the most popular 4D rides.

Wonderla has an R&D facility to design and manufacture rides for its own amusement parks. Wonderla has manufactured India's largest and tallest Ferris wheel- in Bangalore

IPO and new projects

The Initial Public Offering of Wonderla Holidays for about Rs 182 crores received overwhelming response. The IPO proceeds are slated to be used for its next upcoming theme park project in Andhra Pradesh.

Board of Directors

Mr. Kochouseph Chittilappilly



Mr. Kochouseph Director of Wonder la Holidays Limited, was born in 1952 in Kerla he did his degree in Physics. When he was 26years he took 2,00,000 from his father to start his own business and he manufactured stabilizers and got the brand name V-Guard stabilizers after tat he started an amusement park called Veega Land now known as wonder l.

This company has trustee too, which is helpful to the orphanage children's and they do some social service too and they build infrastructure facility to the public with the social cause.

Mr. George Joseph



Mr. George Joseph is the Chairman of Wonder la Holidays Limited. In past he was the managing director of Syndicate Bank, before this he was working in Canara Bank for more than 30 years. His achievement was he secured 1st rank in his Graduate Studies in Kerla

Mr. Arun K. Chittilappilly



Mr. Arun K. Chittilappilly, is the MD of Wonder la Holidays Limited. He studied in Melbourne University Australia. He involved in the construction and architecting the structures of the company and the games designs. After his studies he constructed and introduced Veega Land now wonder la in Kochi. Later from his experience and to expand his business he introduced his next Franchises in Bengaluru , and later he is planning to expand his franchises in Andra Pradesh and Tamil Nadu too.

Ms. Priya Sarah Cheeran Joseph



Priya Sarah Cheer an Joseph is Director of Wonder la Holidays Limited. She is an abroad return, she did her PG in Melbourne University. She has 11 years experience.

1.4 VISION, MISSION AND QUALITY POLICY

Vision

To be the number one supplier in service oriented company , India, with respect to Cost, Quality ,service and Delivery.

Mission

- The company will try to foster the culture that improves the Individual creativity and the team work values.
- The company shall try to develop a culture that values the training and development and hence helps all the employees to have an opportunity to reach their potential.
- The company shall try to deliver the increased value to its customers and the number of games.
- The company shall try to promote total quality technology as a culture.

Quality Policy

WONDERLA HOLIDAYS LIMITED shall try to achieve this by,

- Target towards achieving zero defect with total employee participation.
- Implementing and sustaining an effective quality management system and continuously improve its process performance.
- Setting and reviewing quality policy to all company to contract the employee suppliers and those indirectly involved in product quality.
- Focus on employee training and empowerment.
- Quality and quality improvement is every associates responsibility and ultimate goal.

Shared Values

- Mutual trust, respect and the team work.
- High standard of discipline or behavior across the organization.
- Continuous customer satisfaction.
- Commitment or focusing towards the company's goals, objectives and targets.

PRODUCT AND SERVICE PROFILE







1.5 Area of operations

Wonder la Bengaluru



Wonder la with Sky Wheel outlook in the setting

Wonder la has 57 ground and water ride

The park has a wide diversity of attraction including some rides, water rides, a musical fountain and laser shower, a practical show. Wonder la Bengaluru has a dance show with a weave: electronically controlled rain showers. Wonder la also has attraction specially for children, and these are unusual like a kiddies free fall ride.

It has conference facilities for up to 1,000 persons, and features 5 restaurants with a total seating capability of 1230. It has locker room with over 1950 lockers and restrooms and showers.

The park opened its resort; an 77-room hotel multifaceted spread over 100,000 square feet to public in 2013. This place has children's games and conference meeting place too.

Wonder la, Bangalore has been ranked 1st in India and 7th best in Asia by Trip advisor for 2015, the premier for any enjoyment park in India.

Wonderla Kochi



Wonder la at Kochi

Wonder la Holidays limited own and operate the well-liked Wonder la Amusement Park in Kochi, which was at first called Veegaland until it was re-branded in April 2011. This park is situated on a hill at Pallikkara, 12 klms (7.5 mi) from Kochi. The park was put up in 2002

In 2015, Wonder la revealed plans to construct an amusement park in Tamil Nadu at a cost of ₹3 billion(US\$45 million), spread over 55 acres (220,000 m²) of land. Wonder la also announced that an amusement park would be set up in Andhra Pradesh on a land of 50 acres (200,000 m²) nearby vijayawada a cost of ₹2.5 billion (US\$37 million)

1.6 Infrastructure Facilities

- **Lockers & Dress Changing accommodation**
- **Drinking Water Facility**
- **First Aid**
- **ATM Counter and online pay available**
- **Cloak Room**
- **Parking space available**
- **Smoking Area**
- **Wheel Chair / Pram**

1.7 Competitors

1. VeegaLand, Kochi

2. EsselWorld, Mumbai

3. Ramoji film city, Hyderabad

1.8 SWOT Analysis

SWOT ANALYSIS INTRODUCTION

The origin of the SWOT analysis was started by Albert Humphrey. The purpose was to identify why business planning failed. The research was conducted where which identifies number of key areas to explore each of the critical areas called as SOFT analysis. The original research used to classify as “What is good in the present is satisfactory is good in future is an opportunity bad in the present is a fault and bad in a future is a threat.

SWOT stands for Strength, Weakness, Opportunities, Threats. It guides you to identify the company strength and weakness as well as larger opportunities and threats. It helps to develop full awareness of the situation helps with both strategic planning and decision planning.

Strength

1. It is situated over a large area of 85 acres.
2. The park overcomes more than million people every year.
3. It has both water n land games across 50+.
4. The park has recently awarded for the innovative and entertaining the people.

Weakness

1. It is famous only in the Bangalore not outside the Bangalore areas.
2. Majority of the visitors are the local people and they do go only in the vacation times and it lacks loss in the other seasons

Opportunity

1. Bangalore is a demographical market place where wonder la plays a major role in the entertainment.
2. There are only few amusement parks in south India.
3. There are many offers for school and college students and discounts too.

Threats

1. The concept of wonder la amusement park has not been so famous in India when compared to other countries.
2. If it lacks in the safety and concern of the customers.
3. If the park stops any new innovations and adventure rides.

1.9 Promoter of Wonder la Holidays Limited

- A) V-GUARD



B) V Star



c) VEEGA LAND



1.10 Financial statements

BALANCE SHEET

(Rs. in Cr.)

	Mar '17	Mar '16
	12 Months	12 Months
Total Share Capital	56.50	56.50
Reserves	379.57	346.50
Net worth	436.08	403.01
Secured Loans	14.34	5.16
Unsecured Loans	.00	.00
Total Liabilities	450.42	408.17
Assets		
Gross Block	491.33	293.72
Less: Accum. Depreciation	168.75	140.95
Net Block	322.57	152.78
Capital Work in Progress	.00	.00
Investments	75.03	84.40
Inventories	8.95	6.59
Sundry Debtors	.94	.78
Cash and Bank Balance	8.53	28.04
Loans and Advances	45.74	20.93
Total CA, Loans & Advances	64.16	56.34
Current Liabilities	29.38	24.40
Provisions	40.50	19.82
Total CL & Provisions	69.89	44.21
Net Current Assets	-5.73	12.12
Total Assets	391.88	249.30

PROFIT AND LOSS ACCOUNT

	Mar '17	Mar'16
	12 Months	12 Months
Revenue		
Sales revenue	270.41	205.36
Less: Excise duty	.00	.00
Net Sales	270.41	205.36
Other Income	0	0
Total Income	276.72	223.43
EXPENSES		
Manufacturing Expenses	60.38	36.10
Material Expenses	23.61	13.53
Personal Expenses	39.06	31.01
Selling Expenses	22.16	11.06
Administrative Expenses	52.60	29.45
Expenses Capitalised	.00	.00
Total Expenses	197.80	121.16
Operating Profit	72.61	84.20
EBITDA	78.92	102.28
Depreciation	29.28	13.92
EBIT	49.64	88.35
Interest	1.26	1.33
EBT	48.38	87.02
Taxes	15.31	27.21
Profit/Loss for the year	33.07	59.82
Reported PAT	33.07	59.82
Equity Dividend	.00	9.34
Equity Dividend	.00	16.53
Shares in issue (lakhs)	565.01	565.01
EPS –Annualised	5.85	10.59

Chapter 2

Theoretical background of study

2.1 Theoretical background of the study

Working capital management, it is money required in related market. It awakes the market to keep on going further and further. Without the working capital the business cannot be run further. Working capital and its speculation are like important parts of humans like as for the company or the organization. Working capital proficiency in the administration of a venture capacity depends upon the working capital of the company. More over it is witnessed that the money is related to the gathering and administrating of the company.

1. Gross Working Capital

In this concept of working capital, we study gross working capital. We do not deduct current liabilities in this concept but we use current liabilities as source of fund. Suppose, if we buy goods on credit, it means our save our cash and we can use this as working capital for paying other expenses.

2. Net Working Capital

Under this concept we use net working capital. For this, we first deduct all our current liabilities from our current assets. Excess of current assets over current liabilities will be current assets. We have to maintain minimum level of working capital in our business for operation of business activities. This concept is also used for preparation of balance sheet. In the vertical form of balance sheet, we show excess of current assets over current liabilities.

NEED FOR WORKING CAPITAL :

The need of working capital to run the day to day business of a firm cannot be ignored. We will hardly find a business firm, which does not require any amount of working capital. The firm has to maintain an adequate level of current assets to generate sales.

The current assets are required, as the sales generated by the firm do not convert into cash immediately. There is always an operating cycle involved in conversion of sales into cash.



Operating Cycle:

Operating Cycle is the time duration required to convert sales, after the conversion of resources into inventories, into cash. It is the time interval between the cash collections from sale of the product and cash payments for resources acquired by the firm. It also refers to the time interval over which the working capital should be obtained in order to carry out the firm's operations. The operating cycle of a manufacturing company involves three phases:

2.2 LITERATURE REVIEW

Ramachandaran (1992), in his paper titled, “Profit Planning as a Management Tool for Profit Maximisation” tried to analyse profitability position of the banks. Increasing emphasis on goals, increase in establishment cost, NPAs, amount locked in sick units, unfavourable deposit mix, compliance to statutory requirements were some reasons, 26 identified by him, for declining profitability.

1) **Best Practice followed in Inventory Management**

By efficient and good management of inventory enables the companies to improve their customer service, cash flow and profitability. It aims at determining how and where to apply the basic techniques followed and provides information about the desired effect in practice. The best practice followed is the 3E that provides every student and professionals, the product of many years of experience and the proficiency in the field. **(Tony Wild – Routledge, 2017)**

2) **Inventory Control**

It deals with the historical or old approaches for the purpose of estimating, decision of safety inventories or stocks and the rendering points, the KANBAN strategies, etc. It helps in keeping the stock levels down to make the cash available for meeting the future expenses in order to maintain long run production. It provides information to the managers about the high stock of finished goods which helps to provide the high service level for the customers. **(Sven Axsäter – Springer, 2015)**

3) **Essentials of SCM (Supply Chain Management)**

It helps the managers in getting information about the techniques for maximizing efficiency and making the supply chain management into the competitive advantage or edge. It is used for measuring performance of the supply chains and helps in understanding, predicting accurately and also makes the companies to take or make decisions individually regarding the production, inventory, location, transportation,

accurate and suitable information's which makes the company's to have effective and efficient supply chain. (Michael H Hugos – John Wiley and Sons, 2018)

4) Inventory Management as the Instrument in Measuring the Quality Management Factors

The measures used for measuring the quality management factors can be used to produce a good profile of the organisation where the estimation can be valid and reliable and with the help of these measures decision makers can assess the status of quality management. It helps in identifying the importance of quality management factors and provides better understanding in quality management practice. It also helps in building models and theories for the measuring the factors which are responsible in providing the quality environment and better performance to the company. (Jayant V Saraph, P George Benson, Roger G Schroeder – Decision Sciences, 20 (4), 810-829, 1989 – Wiley Online Library)

5) Identifying the Total Quality Management (TQM) Factors

Total quality managements concepts are basically based upon the case studies and very little scientific synthesis frameworks are used for measuring the practices of quality management like Baldrige Award where it is useful for developing the total quality systems and it helps in identifying the essential TQM factors where these factors will be valid and reliable. (Simon A Black, Leslie J Porter – Decision Sciences, 27 (1), 1-21, 1996 – Wiley Online Library)

6) A System of the Inventory Management for the automobile leftover parts in the storehouse

It helps to or aims at succeeding the EFNN (Enhanced Fuzzy Neural Network) in order to manage the automobile spare parts inventory in the central warehouse. It helps in forecasting the requirement for the leftover parts or the spare parts. Basically, first it aims at assigning the associated loads or weights which depends on the fuzzy Analytical Hierarchy Process (AHP) method. Then it is useful for generating and refining activation functions. Lastly, the flexible absorption variable is established in order to minimise the smack of the strap results on the estimating perfection. (SG Li, X Kuo – the expert systems with the applications 34 (2), 1144-1153, 2008)

7) Inventory Management in Managing Carbon Footprints

It deals in mitigating the global warming and the carbon ejection selling is considered as one of the largest useful market established system. It helps in knowing how the firms manage the carbon tracking in the inventory management under the carbon emission trading mechanism and it also helps in examining the bang of carbon trade, the carbon price and the carbon cap on the classified judgements, the carbon ejections and the total cost. **(Guowei Hua, TCE Cheng, Shouyang Wang – the global journal of the production economics, 132 (2), 178-185, 2011)**

8) A Fuzzy Echelon Approach in Supply Chains for Inventory Management

It helps in providing or presenting a methodology in order to define the supply chain inventory management policy which is generally based on the echelon inventory or stock approach and the fuzzy set theory where the echelon inventory or stock approach is used in managing the supply chain inventory or stock in a mixed way and the fuzzy set approach is used in perfectly modelling the uncertainty which is associated with both the factors, i.e., the market demand and also the inventory costs. **(Ilaria Giannoccaro, Barbara Scozzi, Pierpaolo Pontrandolfo – the European journal of the operational research, 149 (1), 185-196, 2003)**

9) Managing the Risk in order to avoid Supply Chain Breakdown

It deals with how the company's or the industries tackle the threats that they face and it can be due to natural disasters, labour disputes, terrorism and the more mundane risks that can seriously and easily disturb the movement of materials, information and also the cash through an organisations supply chain. The companies can select the best mitigation strategy which may result in pooling inventory, using of redundant suppliers, balancing the capacity and inventory, adjusting the pricing and incentives etc. **(Sunil Chopra, ManMohan S Sodhi - MIT Sloan Management review, 46 (1), 53, 2004)**

10) Heijunka, used as the important tool to the Toyota Production System

In Toyota, the Heijunka is known for production of different body parts and it is considered as the most basic method used in the production system and this has been generally familiar with the production and the inventory management in many manufacturing companies. **(B Jay Coleman, M Reza Vaghefi – the production and the inventory management journal, 35 (4), 31, 1994)**

11) The Effect of the Quality Management implementation on the performance and on the competitive edge

The aim is to focus on both the basic quality management implementation and on the infrastructure which helps to build a reserve for their use and it also covers the two areas of the quality fulfilment and its performance in establishing and sustaining the competitive advantage or edge. Due to the effect of quality management implementation on the performance and on the competitive edge it helps the managers to involve in the implementation of total quality management. **(Barbara B Flynn, Roger G Schroeder, Sadao Sakakibara - Decision Sciences, 26 (5), 659-691, 1995)**

12) Retail inventory management when the records are wrong or incorrect

It is a remarkable issue that the retailers face while using the robotic inventory management structures. It helps to avoid the problems of freezing, in which the physical inventory position is zero but the correspondent record will be positive and the audit policy will significantly outperforms the popular zero balance walk in the company. **(Nicole DeHoratius, Adam J Mersereau, Linus Schrage - Manufacturing and Service Operations Management, 10 (2), 257-277, 2008)**

13) Variation of the EOQ procedure for the JIT quasi-pull system production

This system helps in calculating the optimised lot size with the help of using two specific formulas which is improper from the EOQ model and it results by providing assumptions like the lower level of errors, insignificant shortage backordering and the failure of the equipment. These formulas are specialised and it allows for the estimation of the improved lot size which is generally smaller than the customer's daily requirement for the product. **(Andrea Chiarini – the production planning and control 28 (2), 123-130, 2017)**

14) The Demand Pull design's effects for the continuous development in the manufacturing industries

The demand pull strategies helps in enhancing the vital skills required for developing the framework of the company and it significantly has an impact on the sustainable development of a manufacturing industry. It helps to meet the customer's needs in time by building a linkage between the technological capabilities and the demands.

(Anuj Singla, IPS Ahuja, APS Sethi – the international journal of innovations in the engineering and in the technology 8 (2), 27-34, 2017)

15) Consolidation Effects and Inventory Portfolios

Any stock or inventory rescuing systems leans on the communication between the coefficient of variation of the requirement and the ratio between the stock ordering and the holding costs and it also specifies that, the percentage between the standard fluctuations of the start time at probable efficiency is considered to be one of the key variables for consolidation. **(Peter F Wanke - Transportation Research Part E: the logistics and the transportation reviews 45 (1), 107-124, 2009)**

16) The combination of the lean management and the six sigma

This helps to know what the lean organisations can achieve from the six sigma organisation and what the six sigma organisations can achieve from the lean management. The purpose is to remove many misunderstandings about the six sigma organisation and the lean management by specifying every structure and the important concepts and techniques which is liable to their implementation. **(Edward D Arnheiter, John Maleyeff - The TQM Magazine 17 (1), 5-18, 2005)**

Chapter-3

Research design

3.1 STATEMENT OF PROBLEM

Working Capital Management is the current assets which focuses on the study. So the topic is to study working capital management on Wonder la Holidays Limited.

Working capital fund is invested on the current assets. Now throughout competitive era were the company competes with each to increase the production and sales , holding the sufficient current assets of the company , which includes the raw materials and inventories which help for the smooth running of the firm , it also needs more working capital. Working capital aims for high managing the working capital and optimum use of the working capital. The problem explains about the short term finance which is more important for the working capital management, such negligence will affect in the relatively considerations of the firm. Experience shows that there is an inadequate planning and control of working capital which is the cause of firms failure.

3.2 NEED FOR THE STUDY

- This investigation as made the understanding, a real awareness of operational funds and how it works, and how day to day requirements are sufficient or not.
- This analysis was made through understanding of organization present situation for making the future growth more effectively.
- This analysis was analytical investigation about the resources , organization and to understand the liquid position of the firms organization.

3.3 OBJECTIVES OF THE STUDY :

- To analyze working capital position of the company.
- To assess the liquidity position of the company.
- To evaluate the financial position of the company.
- To find the profitability of the company
- To suggest measures for the improvement of working capital management

3.4 Scope of the Study.

- The study examines the liquidity position of the company in the last two years and also assess the profitability of the concern. It was done in the company called WONDER LA HOLIDAYS LIMITED. This study will be highly useful to under the position of short-term solvency and to take steps if necessary to improve the working capital management more efficiency for the overall development of the company's financial position in the market..

3.5 research methodology

SOURCES OF DATA

Secondary Data

This fact sheets r issued by the Wonder la. The data that have already been published in web sites and other journals

TOOLS FOR DATA COLLECTION

Primary data collected through a well prepared questionnaire and receiving the response from the employees of Wonder la and the customer of wonder la.

PLAN OF ANALYSIS

The information gathered will be formulated in the form of coding sheet and briefly drawn an Pie-charts and Bar-chart will be used for easy understanding of the project work.

3.6 Limitations of the Study.

- In depth study about all the techniques are not possible because the time available for this is limited study.
- The actual study is base only on the information provided.
- The information provided may not be fully accurate and correct.
- Some of the information was kept confidential.
- The company takes customer orders throughout the year which becomes difficult to know the exact inventory count.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

RATIO ANALYSIS

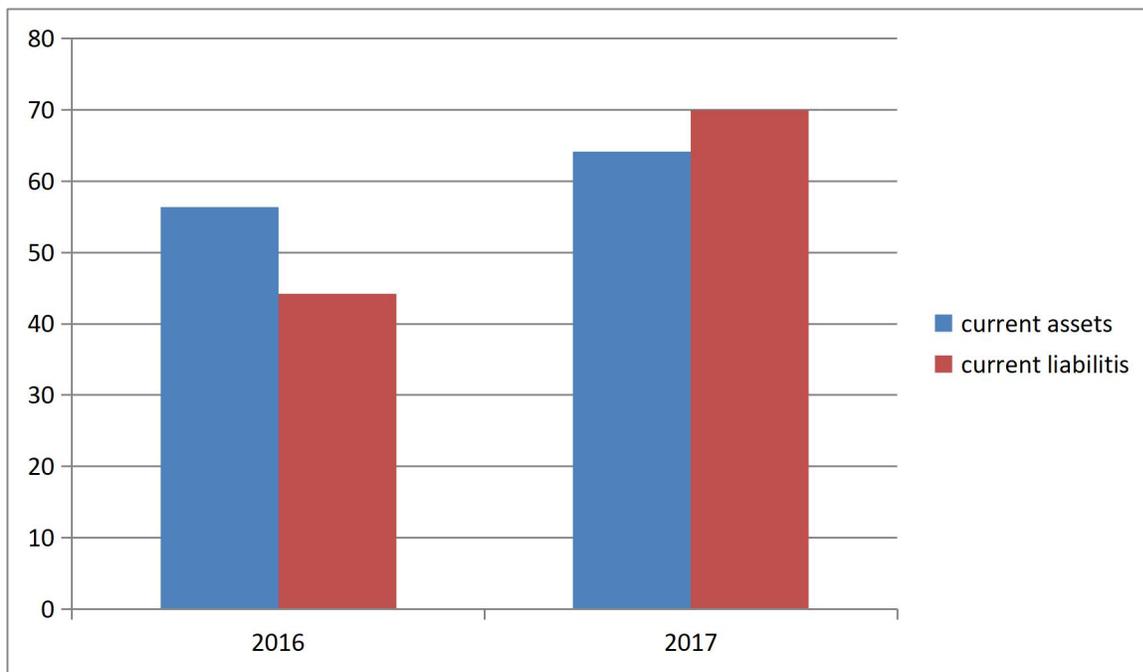
1. Current Ratio =
$$\frac{\text{Current Assets}}{\text{Current Liability}}$$

(Rs. in Cr.)

Year	2017	2016
Current Asset	64.16	56.34
Current Liability	69.89	44.21
Current Ratio	0.92	1.27

Table:1 Current Ratio

Analysis – As the above table tells us the current ratio is Decreasing in 2017 , from 1.27 to 0.92



Interpretation – It indicates that current asset is Decreased showing the firm’s not efficiency to meet its current liability, representing that the liquidity position of the firm is good. It also indicates the weak of working capital and capacity to carry out the operations.

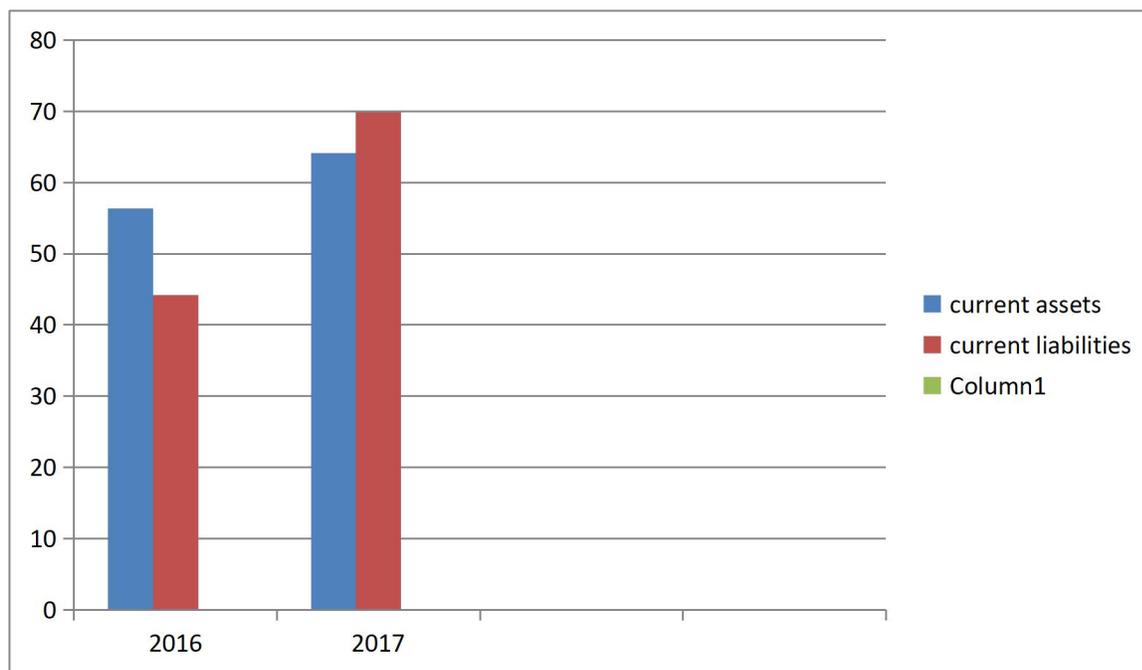
2. Quick Ratio = $\frac{\text{Quick Assets}}{\text{Quick Liability}}$

(Rs. in Cr.)

Year	2017	2016
Current Asset	64.16	56.34
Current Liability	69.89	44.21
Current Ratio	0.92	1.27

Analysis – From the above table we come to know that the Quick Ratio is reduced from 1.27 to 0.92

explanation – It can also inferred tat liquidity assets are adequate to cover up current liabilities showing that the liquidity off funds in great concern.



3. Asset Turnover Ratio =
$$\frac{\text{Sales}}{\text{Total Assets}}$$

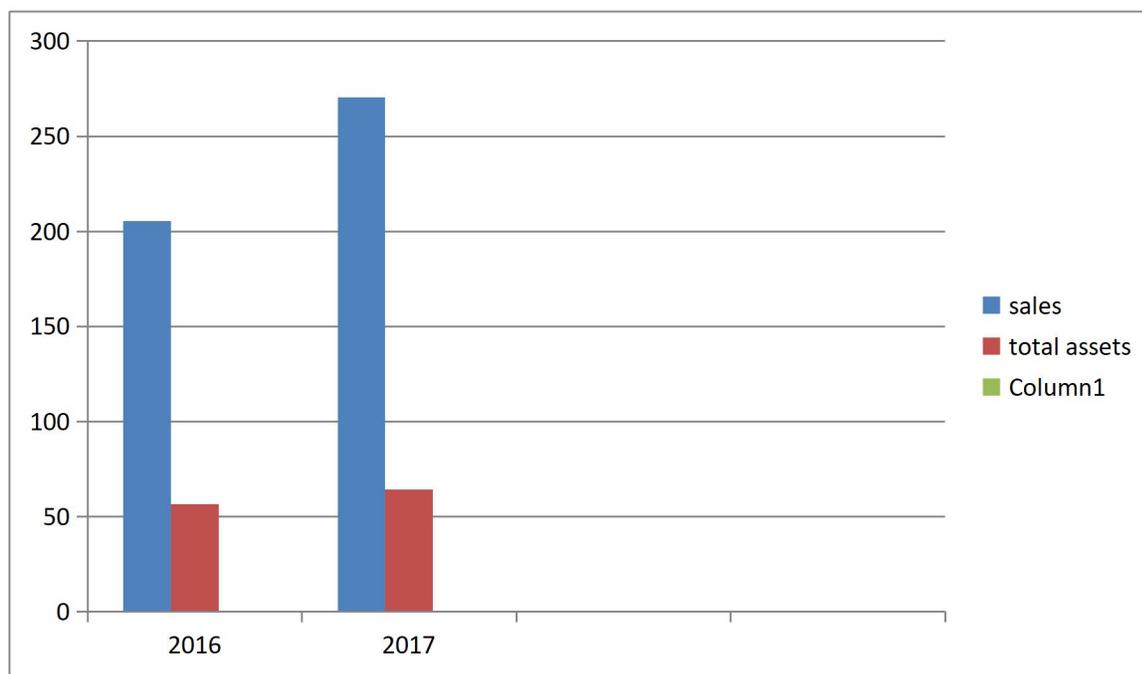
(Rs. in Cr.)

Year	2017	2016
Sales	270.41	205.36
Total Assets	64.16	56.34
Asset Turnover Ratio	4.21	3.97

Table:3 Asset Turnover Ratio

Analysis – The table indicates that the asset turnover ratio has increased from 3.97 to 4.21

Interpretation – This indicates that increase in efficiency of firm’s asset to generate sales and most likely have good management and production.



4. Fixed Asset Ratio =
$$\frac{\text{Sales}}{\text{Fixed Asset} - \text{Depreciation}}$$

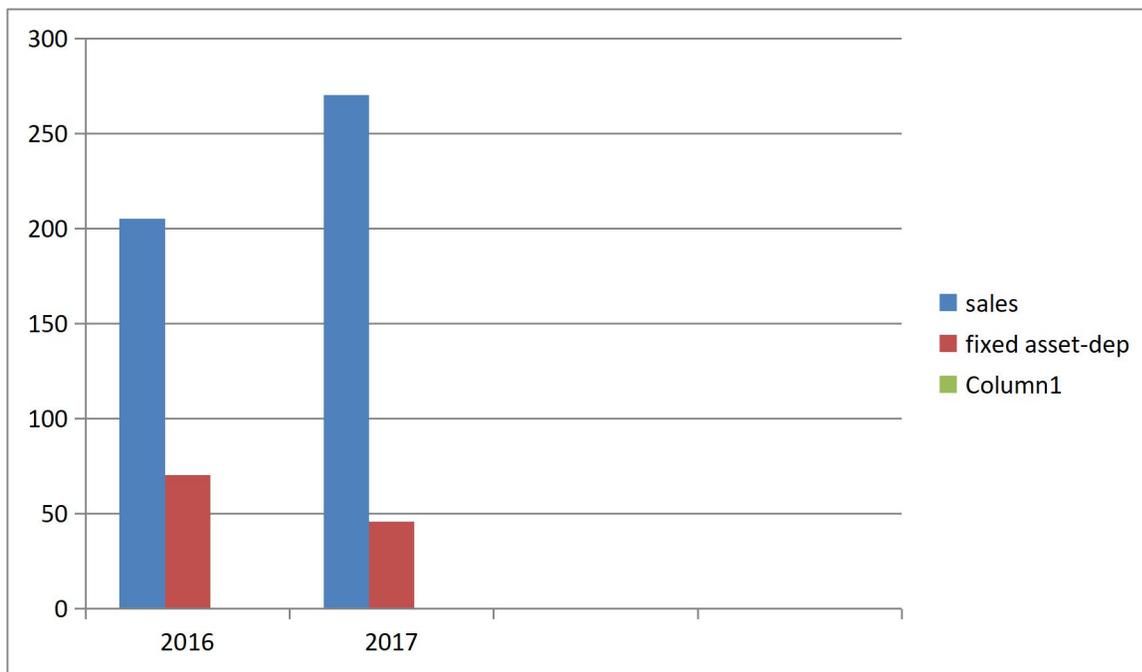
(Rs. in Cr.)

Year	2017	2016
Sales	270.41	205.36
Fixed Asset-Depreciation	45.75	70.42
Fixed Asset Ratio	5.91	2.92

Table:4 Fixed Asset Ratio

Analysis – The fixed asset ratio has increased from 2.92 to 5.91

Interpretation – The high takings ratio indicates that firm is utilizing the assets to their fullest extent.



5. **Proprietary Ratio** = Shareholders Fund (Net worth)

Total Assets

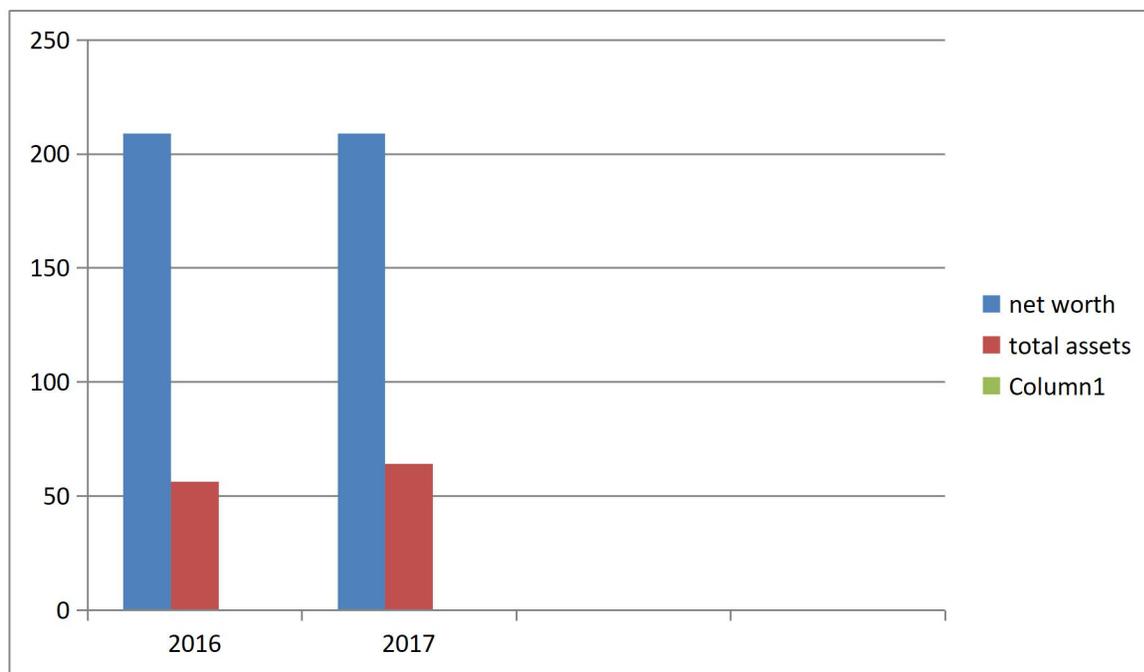
(Rs. in Cr.)

Year	2017	2016
Net Worth	209.05	209.05
Total Assets	64.16	56.34
Proprietary Ratio	0.88	1.00

Table:5 Proprietary Ratio

Analysis – The ratio has decreased from 1.00 to 0.88 as indicated in the above table.

Interpretation –From the above data we can analyse that the financial position of the firm is too high, and it has more risk in the capital structure that is heavy investment.



$$6. \text{ Return on Shareholders Fund} = \frac{\text{Net Profit after Tax}}{\text{Shareholders Fund}}$$

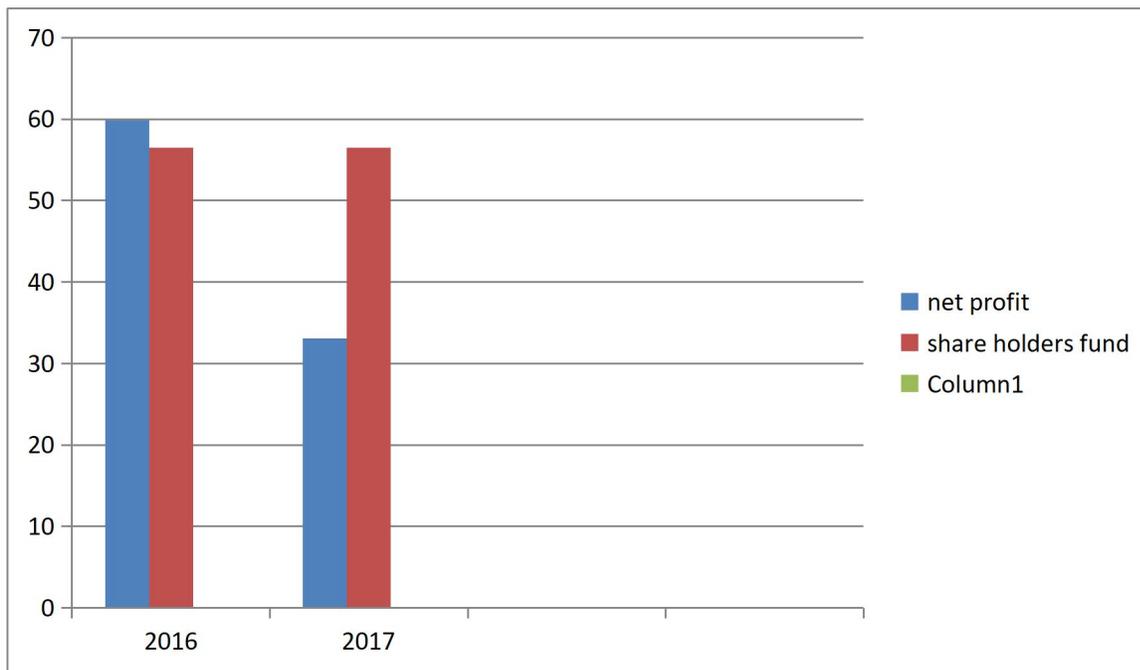
(Rs. in Cr.)

Year	2017	2016
Net Profit	33.07	59.82
Shareholder Fund	56.50	56.50
Return on SH's Fund	0.59	1.06

Table:6 Return on Shareholders Fund

Analysis – From the above table it indicates that the shareholder's fund is decreased from 1.06 to 0.59.

Interpretation – decrease in ratio indicates a weak monetary situation of the business , n capital structure of company is sound.



$$7. \text{ Capital Turnover Ratio} = \frac{\text{Net Sales}}{\text{Capital Employed}}$$

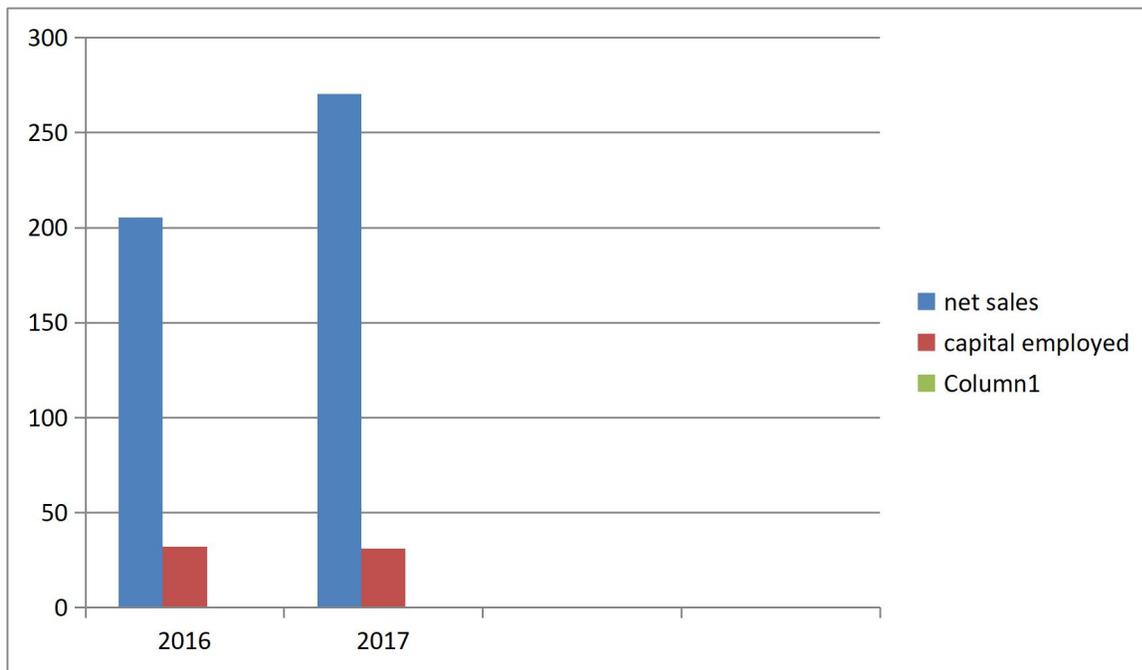
(Rs. in Cr.)

Year	2017	2016
Net Sales	270.41	205.36
Capital Employed	31.01	32.01
Capital Turnover Ratio	8.72	7.82

Table:7 Capital Turnover Ratio

Analysis – From the above table capital turnover ratio has increased from 7.82 to 8.72

Interpretation – The increase in ratio indicates there is much sales and generation of revenues as well as serious financial profits in the company.



8. Earnings per share ratio =
$$\frac{\text{Net profit after tax}}{\text{Number of equity shares}}$$

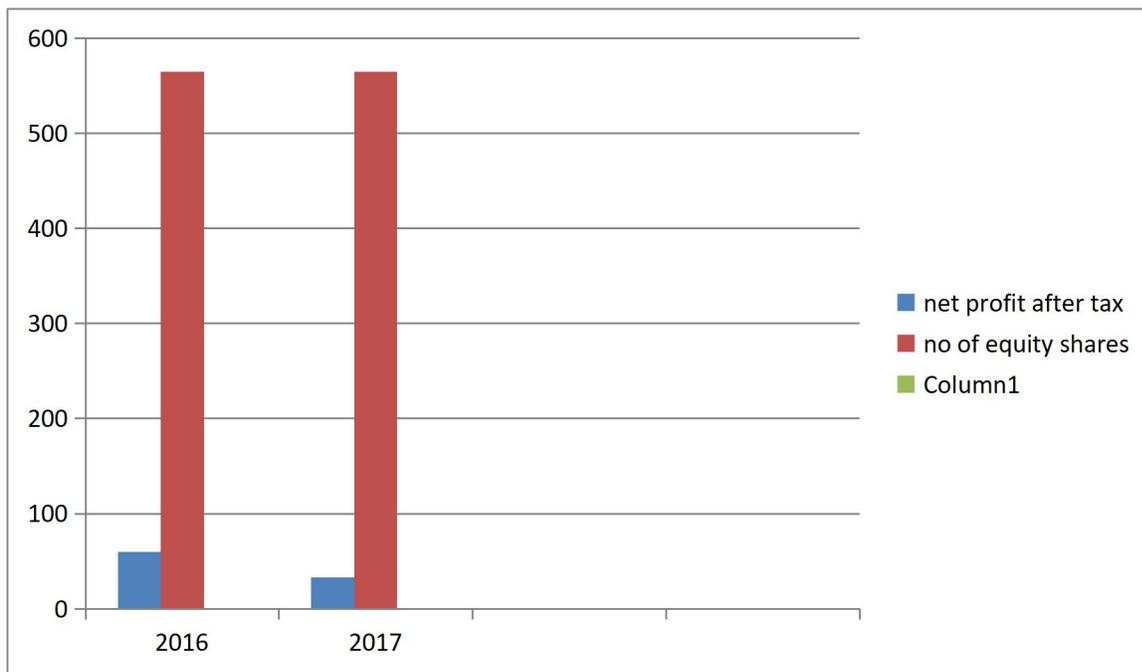
(Rs. in Cr.)

Year	2017	2016
Net profit after tax	33.07	59.82
No of Equity shares	565.01	565.01
EPS Ratio	5.85	10.59

Table:8 Earnings per share ratio

Analysis – The table indicates that decrease in EPS compared to 2016 from 10.59 to 5.85

Interpretation – Decrease in EPS indicates that there is fall in profits of that particular year as company have increased its profitability.



CHAPTER 5

SUMMARY OF FINDINGS SUGGESTION AND CONCLUSION

5.1 FINDINGS

- The gross working capital of Wonder la Holidays Limited is decreased from 2016 to 2017 from 59.82 to 33.07
- The Current ratio of the firm is more high during 2016 ie 1.27 when compared to 2017 ie 0.92
- The Liquid or Quick ratio is decreasing wen compared to the previous year
- The Fixed Asset Turnover ratio has performed high during the financial year of 2016-2017 ie from 3.97 to 4.21
- The Current Asset turnover ratio showing upward trend from the year 2016-2017
- The Debt collection of the company is increasing which falls in the result of working capital management
- The Net profit showing in the trend tells us that there is an decrease in the year 2016-2017
- The companies Fixed Asset are increasing year by year which shows us the high ratio or increase in the asset ratio but indirectly it a an expense for the business which reduces the profit overall.
- The Companies Loans and Advances are increasing year by year which tells us the company has lack of reserves for the future purposes or contingency losses.
- The Companies short term liabilities are decreasing year after year which tells us the company does not have any short term solvency

5.2 SUGGESTIONS

- The Company should focus more on the up gradation of the firm and its assets and uniqueness in the games which play a main role in the profit of the company.
- The Company should concentrate more on the Debt collection because the debt is showing high in the Wonder la Holidays Limited.
- They must decrease in the amount of loans and advances, which shows us the more liability of the Wonder la Holidays Limited.
- They must concentrate more on the profit of the firm which tells us the result of the firm or the company.
- The working capital of the Wonder la Holidays Limited should be done more efficiently.
- The company should reduce the number of employees in each division, how much manpower is important that much they should use it.
- The company should see the returns which should be increasing year by year.
- The financial position of the firm must be in good position.

5.3 CONCLUSION

From the research we come to know that to get information of the company is too difficult since it is maintained high confidentially. I faced lots of problem while collecting the information about working capital management. I observed that the company should focus more on the working man force and capital which is used day by day for the company purpose, in the case of inadequate working capital it is very difficult to sustain the company and to maintain the daily day to day business process. If the companies working capital is maintained properly we can tell how the companies goodwill, solvency, morale. quick ratio ,payment process and profitability of the company of Wonder la Holidays Limited too. When compared to the business performance year by year it is doing good and it will improve in the future , and the growth of the company is also good and it is planning to add still more franchises for the company Wonder la Holidays Limited . The previous year data and balance sheet ie 2015-2016 tells us the good financial position of the company.

BIBLIOGRAPHY

Books Referred :

1. Bariine , Micheal Nidibie Working capital management efficiency and profitability . Evidences of Firms in Nigireiaa.
2. Goael Sandeep (2011) Working Capital Management. Efficiency and FIRM Profitability.
3. A study of south Asians Journal Management.
4. NAVEEN ch (2015) working capital management of galaxo k smith consumer care; an study of Journal Management.
5. Valipour ; Jaasamdidi (2011) Working capital management its on Relationship with efficiency of assets in categorize of industries and firms, Evidience from Teerans.
6. Horzon rali ; norman . Determinents of working capital management before and doing before Global Financial Services of 2007; Evidence from malasia.
7. Philip Kotler & Keller Lane Kevin (2006), “Marketing Management” 12th Edition, Pearson Education.
8. Leviin R.I. & Ruubin D.S (2002), “Statistics for Management” 8th Edition, Prentice Hall of India Pvt. Ltd., New Delhi,.
9. Donalld R. Couper & Pameila S. Schinndler (2005), “Business Research Methods” 9th Edition, Tat MccGraw Hill .
10. Danieel Y.; DaviId M. Muoe, Dareen V (2009) “The Practice of Statistics”.

Reference

- Company Brochures.
- Books.

Websites

- <https://www.ibef.org>
- www.siamindia.com
- www.gtnexus.com
- www.whatishumanresource.com
- <https://www.slideshare.net>
- <https://en.m.wikipedia.org>
- <https://accountingexplained.com>
- <https://www.myaccountingcourse.com>

ANNEXURE

BALANCE SHEET 2016-17

(Rs. in Cr.)

	Mar '17	Mar '16
	12 MThs	12 MThs
Total Share Capital	56.50	56.50
Reserves	379.57	346.50
Net worth	436.08	403.01
Secured Loans	14.34	5.16
Unsecured Loans	.00	.00
Total Liabilities	450.42	408.17
Assets		
Gross Block	491.33	293.72
Less: Accum. Depreciation	168.75	140.95
Net Block	322.57	152.78
Capital Work in Progress	.00	.00
Investments	75.03	84.40
Inventories	8.95	6.59
Sundry Debtors	.94	.78
Cash and Bank Balance	8.53	28.04
Loans and Advances	45.74	20.93
Total CA, Loans & Advances	64.16	56.34
Current Liabilities	29.38	24.40
Provisions	40.50	19.82
Total CL & Provisions	69.89	44.21
Net Current Assets	-5.73	12.12
Total Assets	391.88	249.30

PROFIT AND LOSS ACCOUNT 2016-17

	Mar '17	Mar'16
	12 MThs	12 MThs
INCOME		
Sales Turnover	270.41	205.36
Less: Excise duty	.00	.00
Net Sales	270.41	205.36
Other Income	0	0
Total Income	276.72	223.43
EXPENSES		
Manufacturing Expenses	60.38	36.10
Material Expenses	23.61	13.53
Personal Expenses	39.06	31.01
Selling Expenses	22.16	11.06
Administrative Expenses	52.60	29.45
Expenses Capitalised	.00	.00
Total Expenses	197.80	121.16
Operating Profit	72.61	84.20
EBITDA	78.92	102.28
Depreciation	29.28	13.92
EBIT	49.64	88.35
Interest	1.26	1.33
EBT	48.38	87.02
Taxes	15.31	27.21
Profit/Loss for the year	33.07	59.82
Reported PAT	33.07	59.82
Equity Dividend	.00	9.34
Equity Dividend	.00	16.53
Shares in issue (lakhs)	565.01	565.01
EPS –Annualised	5.85	10.59

BALANCE SHEET 2015-16

(Rs. in Cr.)

	Mar '16	Mar '15
	12 MThs	12 MThs
Total Share Capital	56.50	56.50
Reserves	346.50	299.94
Net worth	403.01	356.44
Secured Loans	5.16	11.00
Unsecured Loans	.00	.00
Total Liabilities	408.17	367.45
Assets		
Gross Block	293.72	267.63
Less: Accum. Depreciation	140.95	128.27
Net Block	152.78	139.36
Capital Work in Progress	.00	39.76
Investments	84.40	194.28
Inventories	6.59	4.10
Sundry Debtors	.78	.51
Cash and Bank Balance	28.04	8.31
Loans and Advances	20.93	11.31
Total CA, Loans & Advances	56.34	24.23
Current Liabilities	24.40	13.24
Provisions	19.82	16.94
Total CL & Provisions	44.21	30.19
Net Current Assets	12.12	-5.96
Total Assets	249.30	367.45

PROFIT AND LOSS ACCOUNT 2015-16

	Mar '16	Mar'15
	12 MThs	12 MThs
INCOME		
Sales Turnover	205.36	181.87
Less: Excise duty	.00	.00
Net Sales	205.36	181.87
Other Income	0	0
Total Income	223.43	192.12
Manufacturing Expenses	36.10	31.99
Material Expenses	13.53	11.20
Personal Expenses	31.01	27.08
Selling Expenses	11.06	.00
Administrative Expenses	29.45	31.05
Expenses Capitalised	.00	.00
Total Expenses	121.16	101.31
Operating Profit	84.20	80.56
EBITDA	102.28	90.80
Depreciation	13.92	16.19
EBIT	88.35	74.62
Interest	1.33	1.67
EBT	87.02	72.94
Taxes	27.21	22.31
Profit/Loss for the year	59.82	50.63
Reported PAT	59.82	50.63
Equity Dividend	9.34	7.01
Equity Dividend	16.53	12.40
Shares in issue (lakhs)	565.01	565.01
EPS –Annualised	10.59	8.96

BALANCE SHEET 2014-15

(Rs. in Cr.)

	Mar '15	Mar '14
	12 MThs	12 MThs
Total Share Capital	56.50	42.00
Reserves	299.94	107.93
Net worth	356.44	149.93
Secured Loans	11.00	20.31
Unsecured Loans	.00	.00
Total Liabilities	367.45	170.24
Assets		
Gross Block	267.63	253.87
Less: Accum. Depreciation	128.27	108.42
Net Block	139.36	145.46
Capital Work in Progress	39.76	20.07
Investments	194.28	.00
Inventories	4.10	3.34
Sundry Debtors	.51	.34
Cash and Bank Balance	8.31	20.04
Loans and Advances	11.31	11.04
Total CA, Loans & Advances	24.23	34.76
Current Liabilities	13.24	15.94
Provisions	16.94	14.11
Total CL & Provisions	30.19	30.05
Net Current Assets	-5.96	4.71
Total Assets	367.45	170.24

PROFIT AND LOSS ACCOUNT 2014-15

	Mar '15	Mar'14
	12 MThs	12 MThs
INCOME		
Sales Turnover	181.87	153.63
Less: Excise duty	.00	.00
Net Sales	181.87	153.63
Other Income	0	0
Total Income	192.12	156.01
Manufacturing Expenses	31.99	25.79
Material Expenses	11.20	9.45
Personal Expenses	27.08	25.28
Selling Expenses	.00	.00
Administrative Expenses	31.05	22.75
Expenses Capitalised	.00	.00
Total Expenses	101.31	83.26
Operating Profit	80.56	70.36
EBITDA	90.80	72.74
Depreciation	16.19	13.20
EBIT	74.62	59.94
Interest	1.67	1.63
EBT	72.94	57.91
Taxes	22.31	18.02
Profit/Loss for the year	50.63	39.89
Reported PAT	50.63	39.89
Equity Dividend	7.01	7.03
Equity Dividend	12.40	16.74
Shares in issue (lakhs)	565.01	420.00
EPS –Annualised	8.96	9.50

BALANCE SHEET 2013-14

(Rs. in Cr.)

	Mar '14	Mar '13
	12 MThs	12 MThs
Total Share Capital	42.00	42.00
Reserves	107.93	79.45
Net worth	149.93	121.45
Secured Loans	20.31	18.59
Unsecured Loans	.00	.00
Total Liabilities	170.24	140.04
Assets		
Gross Block	253.87	240.76
Less: Accum. Depreciation	108.42	96.81
Net Block	145.46	143.95
Capital Work in Progress	20.07	5.72
Investments	.00	.00
Inventories	3.34	2.81
Sundry Debtors	.34	.49
Cash and Bank Balance	20.04	2.87
Loans and Advances	11.04	11.02
Total CA, Loans & Advances	34.76	17.18
Current Liabilities	15.94	14.66
Provisions	14.11	12.15
Total CL & Provisions	30.05	26.81
Net Current Assets	4.71	-9.63
Total Assets	170.24	140.04

PROFIT AND LOSS ACCOUNT 2013-14

	Mar '14	Mar'13
	12 MThs	12 MThs
INCOME		
Sales Turnover	153.63	137.85
Less: Excise duty	.00	.00
Net Sales	153.63	137.85
Other Income	0	0
Total Income	156.01	139.17
Manufacturing Expenses	25.79	20.73
Material Expenses	9.45	7.22
Personal Expenses	25.28	27.42
Selling Expenses	.00	.00
Administrative Expenses	22.75	19.64
Expenses Capitalised	.00	.00
Total Expenses	83.26	75.01
Operating Profit	70.36	62.84
EBITDA	72.74	64.16
Depreciation	13.20	11.85
EBIT	59.94	52.32
Interest	1.63	2.23
EBT	57.91	50.09
Taxes	18.02	16.61
Profit/Loss for the year	39.89	33.48
Reported PAT	39.89	33.48
Equity Dividend	7.03	5.23
Equity Dividend	16.74	12.45
Shares in issue (lakhs)	420.00	420.00
EPS –Annualised	9.50	7.97

153.63



ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA

INTERNSHIP WEEKLY REPORT (16MBAPR407)

Name of the Student: Naveen.D

Internal Guide: Dr. Ramanaiah G

USN No: 1AY16MBA44

Specialization: Finance & Marketing

Title of the Project: A Study on Working Capital Management at Wonder-La Holidays Limited.

Company Name: Wonder-La Holidays Limited.

Weak	Work Undertaken	External Guide Signature	Internal Guide Signature
15-1-2018 to 20-1-20018	Introduction about Wonder-La Holidays Limited. and its operation		
22-1-2018 to 27-1-20018	Learning about the different operation and services by Wonder-La Holidays Ltd.		
29-1-2018 to 3-2-20018	Orientation and gathering information about the growth of the company		
5-2-2018 to 10-2-2018	Analysis of the market position of the company		
12-2-2018 to 17-2-2018	Research problem identification		
19-2-2018 to 24-2-2018	Preparation of the research instrument for data collection		
26-2-2018 to 3-3-2018	Theoretical background of the study		
5-3-2018 to 10-3-2018	Data collection and analysis		
12-3-2018 to 17-3-2018	Interpretation of the data gathered during the survey		
19-3-2018 to 24-3-2018	Final report preparation and submission		

