



बी ई एम एल लिमिटेड BEML LIMITED

(मिनि रत्न कंपनी, भारत सरकार, रक्षा मंत्रालय के अधीन)

(A Govt. of India Mini Ratna Company under Ministry of Defence)

मैसूरु कॉम्प्लेक्स / Mysuru Complex

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TKT/137(C)/2018

Date: 26.03.2018

TO WHOMSOEVER IT MAY CONCERN

Project Certificate

This is to certify that **Mr. Rakshith Kumar B, USN: 1AY16MBA57, MBA in Finance** from The Acharya Institute of Technology, Bangalore has successfully completed Project work on "**A Study on Working Capital Management with reference to BEML Mysore Complex, Mysore**" under the guidance of Mr. Mohan T, Assistant General Manager, Finance Department, BEML Mysore Complex, Mysuru from 22.01.2018 to 24.03.2018. During his stay at BEML Limited, his character was found good.

We wish **Mr. Rakshith Kumar B, ALL THE BEST** in his future endeavours.

for BEML LIMITED


(Brahmachary R)

Senior Manager – Training.

श्री. ब्रह्मचारी R. BRAHMACHARI

ज्येष्ठ प्रबंधक Senior Manager

प्रशिक्षण केंद्र TRAINING CENTRE

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ACHARYA INSTITUTE OF TECHNOLOGY

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

Date: 22/05/2018

CERTIFICATE

This is to certify that **Mr. Rakshith Kumar B** bearing USN **1AY16MBA57** 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 With Reference to BEML Mysore Complex**” at **Mysore** 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
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Signature of Principal

PRINCIPAL
ACHARYA INSTITUTE OF TECHNOLOGY
Soldevanahalli, Bangalore-560 107

DECLARATION

I, Rakshith Kumar B hereby declare that the project report entitled "A Study On Working Capital Management With Reference to Bharat Earth Movers Limited ., Mysuru Complex" prepared by me under the guidance of Dr.Ramanaiah Gfaculty of M.B.A department, Acharya Institute Of Technology, Bengaluru and external assistance by Mr.Mohan T, AGM, Finance Dept. BEMLMysuru. I also declare that this project work is towards the partial fulfilment of the university regulations for the award of degree of master of business administration by Visvesvaraya Technological University, Belgaum. I have undergone a summer project for a period of twelve weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other university



Signature of the student

Place: Bangalore

Date: 28/05/2018

ACKNOWLEDGEMENT

First and foremost, I wish to thank the company for enabling the successful completion of the internship training.

I express my profound gratitude and sincere thanks to Dr. S C Pilli Principal of Acharya Institute of Technology, Bangalore.

I express my heartfelt thanks to, Dr. G Nijaguna, Head of the Department of Management Studies, Acharya Institute of Technology, Bangalore for inspiration and valuable suggestions for carrying out this endeavour.

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I would like to express my sincere thanks to all the staff members and all other individuals who helped me in completing this Internship Training.

RAKSHITH KUMAR B

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EXUCUTIVE SUMMARY

A fine planned and executed working capital management is predictable underwrite completely to the formation of a firm's value. The tenacity of this project is to inspect the trends in working capital management (WCM) and its impression on the performance of BEML LTD. This project objects at learning various facets of working capital management at BEML. These projects also pulls a evaluation between BEML and other projecting players active in the organisation segment and tries to find out the reasons playing an active role behind the numerous status of BEML. Working capital management includes not only dealing the various components of the current assets, but also dealing the current liabilities, or in precise financing the current assets. A company is requisite to sustain a balance between liquidity and profitability while leading its day to day processes. The status of cash as an needle of on-going financial strength should not be astonishing in opinion of its critical role within the business. This matter shows that business must be lead both efficiently and profitably.. On the other hand, too much focus on liquidity will be at the expense of profitability. We can see major three verticals of working capital management following: Receivables management, Cash management and Inventory management using the financial statements of BEML, an analysis has been done by analysing trends applied and followed. The financial statements (balance sheet, profit & loss accounts) are used to analyse different ratios which help us in well understanding the company.

CHAPTER 1

1.1 INTRODUCTION

An internship is the on the job training which will be thought the working process of the company. Internship for professional carrier are similar in some ways but lack of standardisation and oversight leaves the term open to grow interpretation. Internship is a programme which the problem will identified in the particular field of the company in a period of time.

Internship consists experience between students and an organisation with exchange of services. The internship programme is info mated to provide interns engaged in a outside experience with an opportunity to share their discernment. Internship is one the foundation to develop the professional skill and professionalism behaviour of every intern.

Working capital may be considered a business life blood that its effective provision can do a lot to achievement business success while in efficient management leading not to a profit loss, but also the final reduction of what could be considered otherwise as a promising concern. However, a study is very important to inside and outside analysis due to its connection with today's business day. It is also known as circulating current capital or capital, because current assets are safeguarding in the nature of the use of the term "circulatory capital" for "working capital" indicating that its flow is a newsletter in its nature

1.2 INDUSTRY PROFILE

BEML is undisputed leader in the Indian engineering industry for over 4 decades with substantial contribution to the core verticals of market such as construction, mining, defence and railways. The term "Development" conjures up images of vibrant town, contemporary buildings and well-connected roadways. The Earth moving industry has a sizeable role to play in creating them. The technology required to manufacture such machines was not earlier available. The lot of research and insight has gone into the development of the earth moving market.

The development of the earth moving industry is technological development of a country because commissioning of such a large machine was a challenge and it requires the honed skills and experience. The industry is also a good way to absorb the development of the latest global technology. The industry has been able to design, develop and manufacture a major equipment and critical accessories. Production of different goods in 60 to 80 % has already

been achieved. Land mobility in the public sector has been able to record 85% of the mobbed average projects that make favourable. The earth's air and construction industry play an important role in the development of the country. The large part of the landing industry depends on the development of the major industry's core sector. The government has already constructed a large-scale road, bridge, airport and port, which has increased the transfer of the land to the land. The Indian construction machinery industry is running at high speed speeds, the volume of the volume of movement, movement equipment, specific use of a variety of uses, is a government-owned government-oriented construction projects with the national highway development program on the north-east-west of the west. Apart from this, the government decides to overturn the private sector of roadside bridge, airport and port and ensure 100% promotion plan to enhance the construction of the construction industry, as well as the construction of the machine.

1.3 COMPANY PROFILE

BEML was incorporated in May 1964 with its corporate office at Bengaluru commenced operations from 1st Jan 1965 .It is Asia's second largest land growing and mining equipment manufacturer. The company is engaged in rail coach, rail bus, and Indian railways, heavy duty trucks, its various types, crash fire tenders, heavy maintenance vehicles, bridge, landing equipment and combinations for defence

Whole landing companies, In various fields of economy in different decades like coal, mining, steel, cement, electricity, irrigation, construction, road construction and railway, the company's multi-regional and multi-product company is an important application for BMW. It has increased its product limit so that the high-quality hydraulics, heavy deal diesel engines, welding robots and heavy construction jobs begin.

BEML had joined the elite group in sectors in public sectors in 1989. For the first time it sighted a memorandum of undertakings(MOU) in 1990 with its administrative ministry namely department of defence production supplies ministry of defence. Its contribution to defence is around 33% which includes military equipment such as TATRA*8,6*6,4*4 truck, tank transportation trailer, heavy recovery vehicle amored recovery vehicle, engineering mine ploughs and other defence aggregates. It is also manufacturing Aircraft weapon loader.

BEML in-house R&D with advanced CAD facilities , test equipment, laboratories and prototype manufacturing shops is responsible for the updating the existing products bringing

out new special purpose equipment. Every important point to be mentioned here is the BEML has a leader in manufacture of earth moving and defence equipment has got a wide strong network of marketing and service spread through-out the nation in all direction. From the year of inception, the company generated the profits. It is generating its own internal resource funds and remains as a major contributors to the national exchange in the form of dividends, income tax, customs duty, central excise duty and sales tax. BEML as a municipal sectors activity under the ministry of defence company in India.

The company functions in three major business verticals - viz. mining & construction and rail & metro defence. Everything which the above is headed business and acts as a director of the CEO and the business & managing director reports to the president of the company. In addition to the above trading division deals in non-company products. BEML she is doing this, and the reason of defence was the support equipment such as tatra, according to the maximum mobility trucks, recovery downtown, over the bridge, the new design, downtown, for the machine of our missiles projects, tank film, wagons, fire, tenders, and sewers of stone, the aircraft towing of his critics, aircraft arrow loading trolley. He thinks the company should overhaul and up gradation to assemble and develop a view of Lake Bell into dry products.

A dedicated team has 500 company r & infrastructure consistent and in line with company policy to meet the needs of the technological tie-ups with in-house r & 500 for technical and strategic global players.

BEML is working in three major business verticals

- Mining & Construction
- Defence
- Rail & Metro

BEML has 9 manufacturing units in different following locations

- Kolar Gold Fields (KGF) Complex
- Mysore Complex
- Bangalore Complex - Rail & Metro Division
- Palakkad Complex

1.3.1 PROMOTERS



SHRI D K HOTA
CEO and MD



SHRI R. H. MURALIDHARA
Director (Defence Business)



SHRI B. R. VISWANATHA
Director (M&C Business)



Smt. Surina Rajan
Government Nominee Director



Shri Sanjay Prasad
Government Nominee Director



Shri S. K. Beri
Independent Director



Shri B. P. Rao
Independent Director



Shri M. G. Raghuveer
Independent Director

1.3.2 VISION AND MISSION

VISION

Becomes a marketplace chief as a differentiated Company providing first-rate products and services to sectors together with mining & creation, Rail and metro, Defence & aerospace and to grow to be an outstanding global participant.

MISSION

- Improve attractiveness thru cooperation, tactical alliances and joint ventures, to preserve and beautify marketplace proportion in product organizations BEML operates.
- Grow profitably with the aid of violently chasing business and marketplace chances in home and global markets by pursuing as a minimum 10% of sales in exports.
- Implementation of ultra-modern technologies and produce in new products via Transfer of Technology and in-residence R&D.
- Continue to diversify and develop addressing new merchandise and markets with turnover from in-residence R&D evolved merchandise at 60%.
- Attract and preserve humans in a worthwhile and galvanizing environment by development creativeness and innovation with attrition ranges less than five%.
- Offer technology and cost effective total keys for better client happiness.

QUALITY POLICY

BEML views quality improvement and remains so in any war proactive in the areas of product and service categories. BEML by the corporate quality policy quality roman emphasizing that the quality system is based on the results of products, services and processes standards and stringent requirements to meet performance criteria. A total quality department spearheads push to separate quality management.

All company manufacturing units are certified by the ISO 9001-2008 quality management system (QMS) .the KGF complex, Bangalore complex and complicated, Mysore certified by the ISO 14001-2004, story management system (EMS)also includes bangalore certified to integrated management system and BS OHSAS18001-2007 engine division, mysore all

certified in Armenia AS9100c certification. All manufacturing steps of the ISO 2015 standards gearing up pieces of the amended version.

Manufacturing facilities available to test increased with its R&D 500 laboratories, KGF national accreditation board in Mysore, which includes regular laboratories (NABL) by covering calibration of flow overpowered collar and mechanical measuring. Vivamus labs, a division of em extensions of them unto the top, there are differences of steps to the NABL us labourites diam. The facilities include the path that will test and evaluate equipment performance.

Seller for the project development items remain in a "focus area" to improve the appearance of-sale service and items of sub-assemblies. Standard procedure, the seller registration form in lorem website loaded up as fast antioxidants ugly new sellers.

Quality function deployment "is active in the organization. Lorem cross-functional teams routinely visit sites to capture the voice of the customer. Such actions have resulted in many elements of the then fine quality product features and improvements over the house, and workers as well as products developed to suit specific operating requirements and conditions lorem.

Quality assurance of various kinds of works, he was taken away, that he should bring in the quality counsel, the result of constantly is to say, the various events in the region of the kaizen, statistical process control (SPC), the quality, the quantity of the whole circles this has been done; 5s, etc., with tools like the cause-effect diagram, why, why pareto analysis, through the grass root level histogram research in training procedures.

The small group action teams (GC teams) are regularly participating in regional / chapter / national / international competition level and at the prestigious awards.

1.3.3 PRODUCT PROFILE

Mining & Construction Products

- Bull Dozers : 90 - 860 FHP



- Excavators : 0.3 - 11.2 Cu.m



- Rear Dump Trucks : 35 - 205 T



- Wheeled Loaders : 1.7 and 4.7 Cum

- Motor Graders : 125,145 & 285 HP



- Wheeled Dozers : 126 and 300 HP
- Back Hoe Loaders : 0.24 / 1.2 Cu.m



- Pipe Layers : 40T, 70 T & 100 T



- Side Discharge Loaders : 1.1 Cu.m
- Crash Fire Tender

- Tyre Handler : Lifting capacity 3500 kg



- Water sprinkler



Defence Products

- Armoured Recovery Vehicle



- Heavy Duty High Mobility Vehicles –10x10,8x8, 6x6, 4x4 & Variants
- 50T Trailer for Tank Transportation
- Aircraft Towing Tractor
- Aircraft Weapon Loading Trolley

➤ Heavy, Medium and Light Recovery Vehicles



➤ Pontoon System



MID STREAM PONTOON



SHORE PONTOON



DOLLY



PAVEMENT LAYING TRUCK



PONTOON TRUCK



TRUCK MOUNTED CRANE



DOLLY & BOAT

- Ground Support Vehicles for Integrated Guided Missile Programme
- Mine Plough
- Dozers for snow clearance / road construction to DGBR and E-in-C
- Transmissions, Final Drives, Interface Items and Ejector & Air Cleaner Assemblies for Infantry Combat Vehicles (ICV-BMP-II)
- Hydro-pneumatic Suspension Systems ,Hull, Turret, Transmission and Under Carriage items for MBT Arjun
- Military Rail Coaches and Military Wagons

➤ Rocket launcher



MID STREAM PONTON



SHORE PONTON



DOLLY



PAVEMENT LAYING TRUCK



PONTON TRUCK



TRUCK MOUNTED CRANE



DOLLY & BOAT

➤ Hydro-pneumatic Suspension Systems ,Hull, Turret, Transmission and Under Carriage items for MBT Arjun

➤ Aerospace vehicle



ATT BA28



BA 10 4X4



ATT BA10



BHEEMA 1000 AWL



CRASH FIRE TENDER

- Prithvi missile launcher



- Snow Cutter



Railway & Metro Products

- Metro Cars



➤ Passenger Rail Coaches



- Military Rail Coaches
- Laying Equipment
- Overhead Equipment
- Rail bus
- Treasury Vans
- Stainless Steel Electric Multiple Units (SSEMU)
- AC Electric (AC EMU)
- Diesel Electric (DEMU)
- Utility Track Vehicle

Diesel Engines (100 HP to 770 HP)

- for captive application
- for manufacture of DG sets
- for Heavy Duty Trucks application
- for replacement on Defence Equipment
- for compressor application

1.3.4 INFRASTRUCTURE FACILITY

BEML has a well-established manufacturing division at three places catering to different segment of product. Also a 100% subsidiary foundry is there for meeting good sharing unit castings,.Thy are well equipped with all manufacturing facilities with modern technologies. BEML has 8 manufacturing units in India. apart from this BEML have 5 strategic business units and research and development facilities.

Mysore complex; Earth moving, engine and aerospace manufacture division

Bangalore division; Rail and metro division

Kolar gold field; Rail coach unit ii, heavy fabrication unit

Palakkad complex (Kerala); Tatra trucks, pontoon Bridge system

Vignyan industries (a subsidiary unit located at Terikere); Steel casting

Research and development facilities;

R&D centre installed in 1959 is the largest of its kind in India. The business enterprise has a strong base of in house layout and development set up. Company's R&D division at **KGF(Kolar gold area)** has designed (around 10km from Bangalore), developed and correctly productions a variety of latest products.

The process of R&D encompass technology absorption, import substitution price reduction and product development for home and export markets. Product advanced through R&D have been extensively exported to counties which includes UK Syria and so forth. The employer has R&D unit for layout and product improvement at both Bangalore and Mysore complexes.

1.3.5 COMPETITORS INFORMATION

BEML owns 70% markets share in domestic earth moving markets. And second of the largest earth moving manufacturer in India and second largest in Asia and also BEML facing competition from the following:-

- Caterpillar
- Komatsu
- JCB
- Terex
- Hitachi
- Volvo
- L&T

And the main competitors are;

Bombardier transportation (Salvi, Gujarat); supplied coaches to(DMRC) and Alstom (Srisity near Chennai) supplied coaches to Kochi Metro.

1.3.6 SWOT ANALYSIS

SWOT analysis (strength weakness analysis wires) framework to examine the instability of identifying seen from the program, product or organization souls. Every order is the benefit of the species throughout the analysis.

STRENGTHS

The strong point and major facility of the BEML

- Largest manufacturer of earth moving equipment's in India.
- Highly versatile manufacturing facilities capable of handling wide range of products.
- State-of art design capability and testing facilities sophisticated R&D centre comprising specialize areas like power line structural engineering material science etc.
- with vast knowledge and experience in multi-disciplinary skill the company is in a better position to absorb and adopt new technologies.
- Widest network of regional/district officers, across the country with spare parts and service centres at strategic locations.
- All production unit of the company are ISO 002-2000 accredited.

WEAKNESS

The Major drawbacks and lacks of BEML

- BEML, has some weakness in the following areas:-
- High cost and price.
- Delay in decision due to procedures and authorities
- Focus on large institutional customers only
- Inadequate market research Realization of credits.

OPPORTUNITIES

The external opportunity which showcases BEML

- Increase in the order from the defence.
- Increased Government support for export.
- Technological advancement in the production and safety.

THREATS

The obstacles which effected to BEML are

- Permitting private sector for manufacturing and supplying defence requirements
- Increased competition in mining segment due to entry of multinational companies to Indian market

1.3.7 FUTURE GROWTH AND PROSPECTUS

In the established infrastructure indigenization of components for metro cars, defence products. Scanning expertise / partners for the mining and construction products including trucks, hunter higher capacity and dozers loaders with state-of-the-art features are in line with major global competitors

1.3.8 FINANCIAL STATEMENTS

BEML Limited
Balance Sheet For Financial Year From 2012-13 To 2016-2017

Particulars	2013	2014	2015	2016	2017
I Equity And Liabilities					
(1) Shareholders Funds					
(A) Share Capital	4177.22	4177.22	4177.22	4177.22	4177.22
(B) Reserve And Surplus	203826.10	203806.70	203498.40	206759.00	213978.10
Sub Total	208003.4	207983.9	207675.6	210936.2	218155.3
(2) Share Applications Money Pending Allotment	0.00	0.00	0.00	0.00	0.00
(3) Non-Current Borrowings					
(A) Long Term Borrowings	49811.05	46520.11	41392.67	36265.22	31052.30
(B) Other Long Term Liabilities	40603.50	37939.83	31697.48	36399.19	34189.87
(C) Long Term Provisions	14916.67	13587.26	16435.86	16064.00	17494.24
Sub Total	105331.20	98047.20	89526.01	88728.67	82736.41
(4) Current Liabilities					
(A) Short Term Borrowings	71620.00	43943.21	17823.51	14542.15	15846.28
(B) Trade Payables	48955.65	38579.63	54328.65	40821.47	49684.90
(C) Other Current Liabilities	680588.70	75892.21	77141.60	61750.69	89648.90
(D) Short Term Provisions	19514.58	11637.25	12597.46	15517.04	14940.35
Sub Total	208179.40	170052.30	161891.20	132631.40	170120.40
Total Equity And Liabilities	521514.00	476083.40	459092.80	432296.20	471012.20
II Assets					
(1) Non-Current Assets					
(A) Fixed Assets					
(I) Tangible Assets	50253.93	47775.37	45455.92	52306.09	51843.99
(II) Intangible Assets	2820.50	2094.25	1415.24	1715.58	5242.26
(II) Capital Work In Progress	11322.87	13533.63	14994.98	5883.43	7942.33
(IV) Intangible Assets Under Development	2855.77	3753.73	4174.86	4504.95	0.00
(B) Non-Current Investments	257.64	257.64	257.64	257.64	257.64
(C) Deferred Tax Assets (Net)	10523.84	10005.33	10137.85	10351.57	11117.57
Sub Total	78034.55	77419.95	76436.49	75019.26	76403.79
(D) Long Term Loans Advances	28297.98	29760.71	23391.01	22816.30	1837.23
(E) Other Non-Current Assets	245.83	428.03	406.92	434.05	10026.27
Sub Total	28543.81	30188.74	23797.93	23250.35	11863.50
(2) Current Assets					
(A) Current Investments	155.70	129.06	80.02	62.14	51.83
(B) Inventories	245619.90	215210.30	192119.80	169631.80	197445.60
(C) Trade Receivables	86151.14	97736.19	99169.65	120805.10	143037.40
(D) Cash And Cash Equivalents	7692.46	1623.49	14473.02	6556.18	1401.02
(E) Short Term Loans And Advances	38612.71	23437.98	16631.50	20681.99	1331.46
(F) Other Current Assets	36703.70	30337.73	36384.45	16289.35	39477.69
Sub Total	414935.60	368474.70	358858.40	334026.60	382744.90
Total Assets	521514.00	476083.40	459092.80	432296.20	471012.20

CHAPTER 2

2.1 CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

Working capital management concerns the company's accounting management strategy to monitor and utilize both components of working capital, current assets and short-term liabilities to ensure the most effective financial performance of the company.

The proper management of working capital is essential for the company's core financial health and operational success as a business. The working capital ratio dividing current assets into current liabilities shows whether a company has an adequate cash flow to cover short-term debts and costs.

The ratio of the working capital business is also reflected in the net sales of working capital. It indicates the efficiency of a company in the use of its working capital. Work capital is the total amount of current assets, excluding the total amount of the current liability.

TYPES OF WORKING CAPITAL

1. Permanent working capital

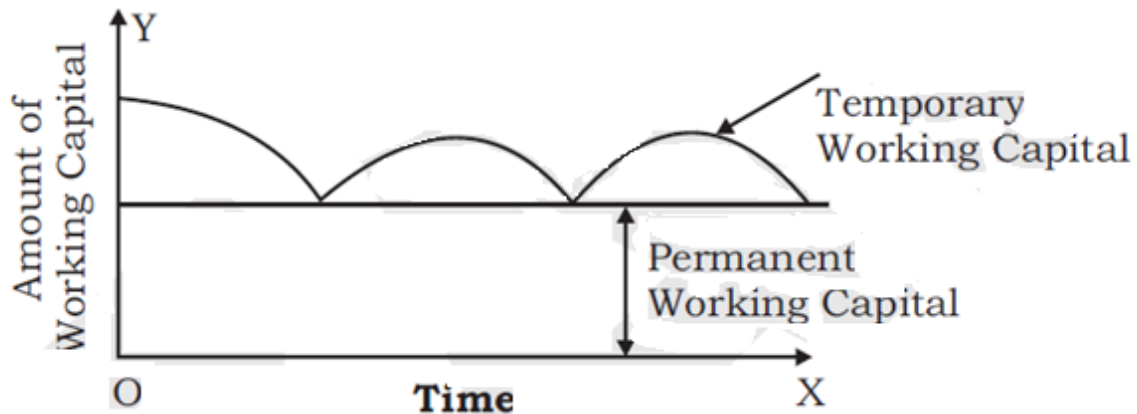
It means the minimum amount of investment in all current assets which is regarded at all times to carry on minimum level of business activities.

Features of permanent working capital

- He amount of permanent working capital of business will remain in one form or other.
- Positive correlation between the amount of permanent working capital and the size of the business.

2. Temporary working capital

This is also referred to as the fluctuating or variable running capital. The quantity of temporary running capital keeps on changing depending upon the adjustments in manufacturing and income.



Permanent and temporary working capital.

3. Gross working capital.

It is the amount of funds invested in the various components of current assets.

The concept has the following advantages:

- Finance executives are specially anxious with management of modern property.
- It enables a company to launch the greatest returns on its funding.
- It permits a firm to plot and control the funds at its disposal
- It allows within the fixation of diverse regions of monetary duty

4. Net working capital

It is the difference among contemporary belongings and modern liabilities. The idea net operation capital allows a company to decide the precise quantity available at its discarding for working requirements.

5. Negative working capital

When modern liabilities exceeds contemporary belongings, terrible operating capital emerges. Such a state of affairs happens whilst a company is nearing a disaster of some magnitude.

NEED OF WORKING CAPITAL.

A firm has a profit to keep its image in the capital market. Is also looking headlong to see from the development of the productivity of the investor continues. And the result of increased profit growth in the firm. To earn significant profit, sales volume will be increased.

At once it is clear that, to be converted into cash and have not the faith of the good things are the things in the nature of the salt and with salt and ground. This extra head prerequisite for the uninterrupted business will be closed to the extent as current accounts receivable good stock etc.

Factors influencing working capital management

1. Nature

The structure of current assets is a characteristic dimensions of commercial enterprise and the enterprise to which it belongs. SSC companies have smaller proportions of cash, debts and stock than huge groups. This distinction will become more marked in big companies.

2. Size of business

The length of commercial enterprise has also a vital effect of running capital desires. Size can be measured in phrases of scale of task. A firm with large scale of operation will need extra operating capital than a small firm.

3. Manufacturing cycle

This is due to the truth that tremendously capital extensive industries require a huge quantity of working capital to run their state-of-the-art and lengthy production manner. On the identical precept, a trading concern calls for a far decrease working capital than a production problem.

4. Production policy

The production guidelines pursued by using the management have a big effect at the requirements of working capital of the enterprise. The manufacturing agenda has a tremendous have an effect on on the extent of inventories The selection of the control concerning automation, and so forth., will even have its impact on operating capital necessities.

5. Volume of sales

A company keeps modern-day property due to the fact they're needed to help the operational sports which bring about income. The extent of revenue and the

dimensions of the operation are at once related to each different. As the quantity of income grows, there is a growth within the funding of working capital

6. Terms of purchase and sales

A firm which allows liberal credits to its clients may also enjoy higher, however will need greater operating capital as compared to a firm enforcing credit score phrases. The running capital necessities also are affected by the credit centres enjoyed by way of the firm. A company enjoying liberal credit facilities from its providers requires, decrease quantity of running capital as compared to a firm which does not enjoy such liberal credit score facilities

7. Business cycle

Business enlarges throughout the duration of wealth and failures throughout the duration of despair. Consequently, greater working capital is needed throughout the length of prosperity and much less all through the length of depression.

8. Price level changes

The growing changes in rate tiers make the capabilities of financial executive hard. He must assume the impact of price degree adjustments on working capital necessities of the firm. Generally, rising rate tiers will require a firm to preserve better amount of operating capital. The identical stages of cutting-edge belongings will want accelerated investment when prices are growing. However, the businesses that may right now revise their product prices with rising rate levels will not face an extreme running capital

9. Profit margin

The working efficiency of the company pertains to the most reliable utilisation of resources at minimal value. The company can be efficaciously contributing to its working capital if it's miles green in controlling the working prices. The use of running capital is advanced and tempo of the coins cycle is multiplied with running performance. Better utilisation of sources improves profitability and as a result, enables in releasing the strain on running capital

10. Profit apportionment

Firms vary of their capacity to generate make the most of enterprise operations. Some company revel in a dominant position, due to best product or good advertising and marketing management or monopoly strength inside the market and earn a high income margin. Some other corporations may additionally need to operate in an environment of excessive opposition and can earn low margin of income A high internet earnings margin contributes closer to the working capital pool.

Working Capital Analysis

Woking capital is certainly the life blood is the head of running the commercial centre of the enterprise. Enough leisure running of the world, it is very much depends on the traveling business. It is quite a work, in the green the head of the rest on the right is the most important part of management is. But clearly a role is substantial, according to the company for working capital control. Therefore, a look at the inside from the powers it on running and running and adjustments to the efficiency of the head of the uses it is important to assess the damage of the head is the use of the commercial enterprise. The evaluation of running capital can be carried out thru some of gadgets.

1. Ratio analysis.

This is very simple arithmetic a variety of expression of the one in relation to the other. In the trial measuring system can be used during the brief running time for the role of liquidity and stability.

- Current ratio.
- Quick ratio
- Absolute liquid ratio
- Inventory turnover.
- Receivables turnover.
- Payable turnover ratio.
- Working capital turnover ratio.
- Working capital leverage
- Ratio of current liabilities to tangible net worth.

2. Fund flow analysis

Trust float evaluation is a nominal device distinct to the have a look at the supply from which extra funds had been derived and the use to which those assets had been placed.

It is an operative control device to look at the changes in monetary role commercial enterprise employer among beginning and finishing of the monetary dates

3. Working Capital Budget

The cost of funds and / or the quantity stated in the pursuit of commercial business plans family time. Economic or working capital to help price range plans to use some resources will go. And the successful implementation of the treasury of the house of the lord, before the separate runs of the head is in the budget is what he was about each and every thing is running in the head, including the, cash, and that inventories and in receivables

2.2 REVIEW OF LITERATURE

1. (Verma, 1989)analyzed administration in (TISCO), (SAIL) and Indian Iron and Steel Company(IISCO) amid the period from 1978-79 to 1985-86 by utilizing the money related devices and factual systems. The investigation uncovered that Tata Iron and Steel Company Limited would be wise to working capital administration in contrast with Steel Authority of India Limited and Indian Iron and Steel Company. Results additionally uncovered that all the three firms under investigation had made intemperate utilization of bank borrowings to fund the working capital prerequisites.
2. (Manjumdar, 1992)keeping in mind the end goal to know the example of financing the corporate working capital in India, has examined asset reports of 20 organizations 10 from private segment and 10 from open division for the period from 1981 to 1990. With the end goal of examination specialist has utilized factual systems and budgetary instruments. Study demonstrates that real offer of working capital back is from borrowings and impact of cost on the determination of wellsprings of working capital isn't at all huge.
3. (Mills, 1996)has investigated the topic of the effect of expansion on the capital planning process. The examination uncovers that it is sensible to expect that the cost

of capital will increment at an indistinguishable rate from the rate of swelling on an ex-stake premise, and that this expansion will be a multiplicative relationship. It likewise uncovers that the higher the net working capital the more prominent is the effect of swelling on capital spending.

4. (Venkatachalam, 1996) have attempted endeavors to do inside and out investigation of Tamilnadu Sugar Corporation for the time of 1985-86 to 1993-94. Results demonstrate that the organization has kept up direct level of working capital, less sum from long haul reserves has been utilized for meeting here and now liabilities and because of overabundance liquidity, benefit was influenced amid the time of study.
5. (Chalam G. V. and Manohar Babu B. V, 1999) watch that fluidity execution is low when contrasted with the perfect standards. It is recommended that for overseeing WC viably the working and other required spending plans ought to be set up by the particular levels of the administration on here and now and in addition long haul premise. It is additionally recommended that these are the general population concerned who can truly impact the procedure of creation action to such a degree, to the point that there ought to be ideal usage of the interest in working capital.
6. (Batra, Sharma, 2001) have considered working capital administration honours in Goetze India Limited for the period from 1989-90 to 1993-94 with the assistance of monetary apparatuses. The investigation uncovers that general position of working capital administration was palatable yet there were a few holes in administration of stock, receivable and payable which require some change.
7. (Filbeck, 2002) in his investigation, examined the execution of the organizations utilizing the CFO magazine's yearly WC administration Survey. The analyst found that critical contrast existed between businesses in WC measures crosswise over time and furthermore found that these measures for working capital changed fundamentally inside ventures crosswise over time.
8. (Garg, 2002) examined WC pattern and fluidity of 8 Haryana Government possessed mechanical ventures in Haryana amid the period from 1978-79 to 1987-88 with the assistance of bookkeeping apparatuses and factual systems. The examination uncovers

that because of high interests in current resources the greater part of the undertakings had encountered lack of assets for purchasing crude material and paying different liabilities.

9. (Pathenia, 2003) examined WC administration in Himachal Pradesh (HPSCARDB) for the period beginning from 1990-91 to 1994-95 with the assistance of proportion examination. The investigation uncovers that the Bank under examination has not utilized money productively and viably which brought about diminishing in gainfulness.
10. (Filbeck Greg and Krueger Thomas M, 2005) construct their examination with respect to the appraisals of working capital administration distributed in CFO magazines. The discoveries of the examination gives understanding into working capital execution and WC administration, which is clarified by large scale financial elements, loan costs, rivalry, and so forth., and their effect on WC administration. The article additionally considers the effect of WC administration on stock costs.
11. (Tewolde, 2006) endeavored to contemplate the working capital administration practices of Government possessed, transitional and privatized producing firms in Eritrea. The outcomes demonstrate that however the administrators of the Government and transitional firms are productive yet they are not engaged to deal with the working capital adequately because of inconvenience of Government controls.
12. (Sankar, 2007) centres around the significance of legitimate working capital administration of Sun Pharmaceutical Company. The paper tosses sunnyon the ideas of WC, parts of WC and components influencing working capital in the Sun Pharma Industries Ltd amid the most recent five years, and recognizes certain elements which are in charge of the change of working capital of the organization.
13. (Dinesh, april,2008) elucidates the ideas of working capital, the distinctive difficulties being looked by the business firms in overseeing working capital and the systems to be embraced for its reasonable administration. The creator finishes up with the view that the greater part of the organizations fizzled not for need of benefit but rather for

absence of money. The quick development underway and deals may make the business use the majority of the budgetary assets looking for development and making resources, for example, inventories, debt claims and different resources as more illiquid.

14. (Rahman Mohammad, 2011) centres around the co-connection between working capital and productivity. A compelling working capital administration positively affects benefit of firms. From the investigation it is seen that in the material business benefit and working capital administration position are observed to be up to the check.
15. (Bansal, 2011) has contemplated working capital administration in Himachal Pradesh Agro Industries Corporation Limited for the period from 1985-86 to 1994-95 with the assistance of monetary devices. The examination uncovers that the company under investigation has received traditionalist arrangement of financing current resources which brought about insufficient working capital. Money, Inventory, receivable and creation limit have not been overseen appropriately by the organization under examination.
16. (Gamze VURAL, Ahmet Gökhan SÖKMEN, Emin Hüseyin ÇETENAK, 2012) based on their opinion the working capital management plays an important role in the firm success or failure. because of its effect on firm performance and liquidity. This study based on the secondary data which is collected from the Istanbul stock exchange market for the period 2002-09. Through analysis and performance evaluation they conclude that leverages as a control negative relationship with firm value and profitability.
17. (Akoto Richard K., Vitor Dadson A. and Angmor Peter L, 2013) nearly ponder the connection between WC administration strategies and benefit of the thirteen recorded assembling company in Ghana. Toward finish of investigation, an essentially adverse connection amongst benefit and records receivable days is found to exist. Productivity is fundamentally decidedly affected by the firm's money transformation cycle (CCC), current resources proportion and current resource turnover. It is additionally recommended that chiefs can make an incentive for the investors by making impetuses to diminish their records receivable to 30 days.

18. (joseph jisha, 2014)nearly looks at the investigation of WC administration in Ashok brothers and calls attention to that the liquidity and gainfulness position of the organization isn't agreeable, and should have been fortified with a specific end goal to have the capacity to meet its commitments in time.
19. (Madhavi, 2014)makes an exact investigation of the co-connection between liquidity position and benefit of the paper processes in AP. It has been watched that wasteful working capital administration has a negative effect on gainfulness and liquidity position of the paper plants.
20. (Tanveer Bagh, Muhammad Imran Nazir, Muhammad Asif Khan, Muhammad Atif Khan, Sadaf Razzaq, 2016)gives an overview of impact of working capital management on the performance. The quantitative research method, multiple regression and correlation matrix, secondary data methods are worked out for the study the performance of the manufacturing firm. Their study results like firm performance of selected firm is completely influenced on the working capital management and they are all advices that if the company more focuses on the WCM that will improve the firm performance.

CHAPTER – 3 RESEARCH DESIGN

3.1 STATEMENT OF THE PROBLEM

Working capital is having direct relation with fund flow analysis of the concerned. These techniques help us on technical judgment making process in utilising working capital. In the company more than 70% of the total investment is in working capital. In this context cost reduction is very important aspects in company where that should be analysed in RW, WIP, and FG where all cost will be determined. The above scenario explains profitability and goal satisfactions are the two main aspects over which financial discipline should be cautions. The problem taken for the study is working capital management.

3.2 NEED OF THE STUDY

This study is a practical component in academics studies which gives the practical norms and activities of WCM. Need for the working capital management to analyse the inheritance of current assets and current liabilities. And also to study the firm position, performance and financial scale of BEML LTD by adopting financial tools.

3.3 OBJECTIVES

- To determine the financial performance of the company.
- To study trends of managing working capital.
- To analysis the amount of working capital employed by BEML.
- To study the ups and downs in the positions of working capital.

3.4 SCOPE OF THE STUDY

The study covers a period ranging from 2013 to 2017. This because ratios may not prescribe standards. Under this situations we are also constrained to stress the trends over a period span of 5 years which has been considered. Though the project is designed to analyse working capital from the of view of management aspects, it speaks in general about soundness profitability of the firm, this will help to the different parties having different interest in the business.

3.5 RESEARCH METHODOLOGY

Information has collected from both the primary and secondary data source. This project is planned or designed mainly based on the data provided in annual reports for the company for the years 2013-14 to 2016-2017 which it will be acting as a secondary data, other data required for the study was directly obtained from the concerned officials which it has said to be primary data for the study. Research design used in a study is in analytical in nature.

3.6 LIMITATIONS OF THE STUDY

Working capital management is very wide approach to analyse and very difficult to summarize.

- This study is done only the basis of supplied data
- It is very difficult make interpretation and conclusion which creates variations in calculations, due to the lack of information where company was not willing to give confidential documents.
- Where the company is not located in a single location it is very difficult to collect data.
- Scope of the study is very tight it has given importance on academic study.

3.7 CHAPTER SCHEME

CHAPTER 1: INTRODUCTION

This chapter deals with the basic information related to the subject of the study. It starts with the introduction of main topic ,complete profile of the company of that is in terms of history, vision and mission, product profile, objectives, and SWOT.

CHAPTER 2: CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

This part generally includes the background of the study.

CHAPTER 3: RESEARCH DESIGN

This chapter explains about the statement of problem, the scope of the study, objectives of the study, limitation of the study, methodology, sources of data that used to obtain the information and analyse the data collected for the study.

CHAPTER 4:ANALYSIS AND INTERPRETATION

This chapter deals with analysis of data that are collected through various sources and interpret the result using graphs tables.

CHAPTER 5:FINDINGS, SUGGESTIONS AND CONCLUSION

This chapter explains about the summary of all findings, the conclusions drawn from this study and recommendation made to the company.

CHAPTER 4

4.1 DATA ANALYSIS AND INTERPRETATION

The analysis is carried out using tools like trend analysis and ratio analysis. The data for this analysis is obtained from the five previous year reports of the company, i.e., from the previous year 2012-13 to 2016-17.

Data analysis has been divided into two sections:

Section A : dealing in trend analysis

Section B : dealing in ratio analysis

Section A: Dealing In Trend Analysis

Trend analysis is a technique of financial management find out the growth and other crucial aspects relating to changes the takes place in an organisation. In simple words, this method of finance is the study of % relationship that each item of financial statement has to be the same item in the base year.

One the greatest advantage of trend is that it focuses attention on the subtle problems faced by a concern in achieving its target and commitment. For the purpose of calculating trend analysis, the 2012-2013 is taken as the base year and therefore is consider to be 100% in the all the cases and the growth in this year is shown as 0.

Working notes

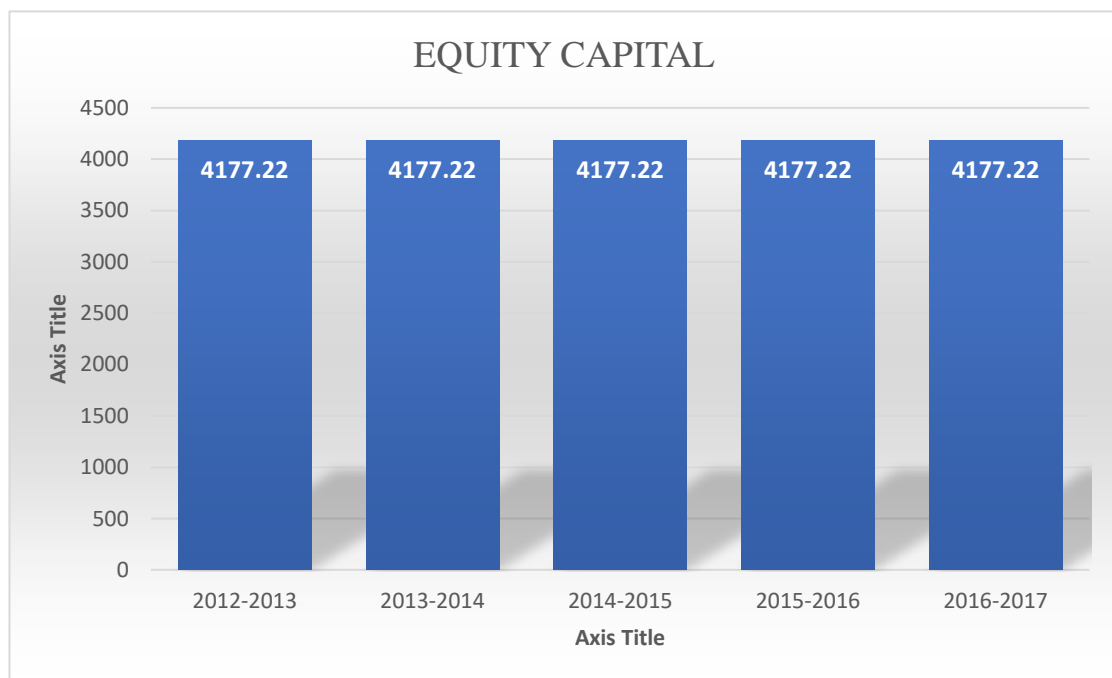
- **Working capital**= CA – CL.
- **Capital employed** = Net block (+) working capital (+) deferred tax asset
- **Net worth** = paid-up capital (+) free reserves and surplus (+) security premium (-) miscellaneous expenditure not written off.

EQUITY CAPITAL

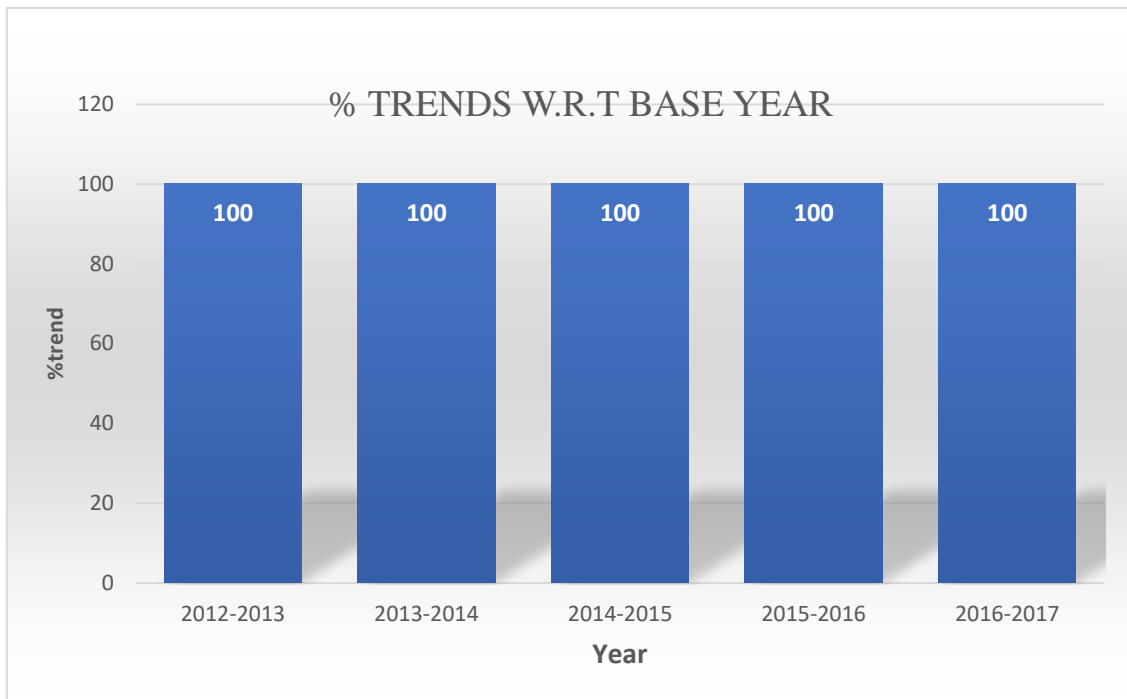
TABLE 1; TREND ANALYSIS OF EQUITY CAPITAL

RS. IN LAKHS			
EQUITY CAPITAL			
YEARS	EQUITY CAPITAL	% TRENDS W.R.T BASE YEAR	GROWTH RATE W.R.T BASE YEAR
2012-2013	4177.22	100	0
2013-2014	4177.22	100	0
2014-2015	4177.22	100	0
2015-2016	4177.22	100	0
2016-2017	4177.22	100	0

GRAPH 1; EQUITY CAPITAL OF 5 YEARS.



GRAPH 2 ; TREND ANALYSIS OF EQUITY CAPITAL.



INTERPRETATION ;

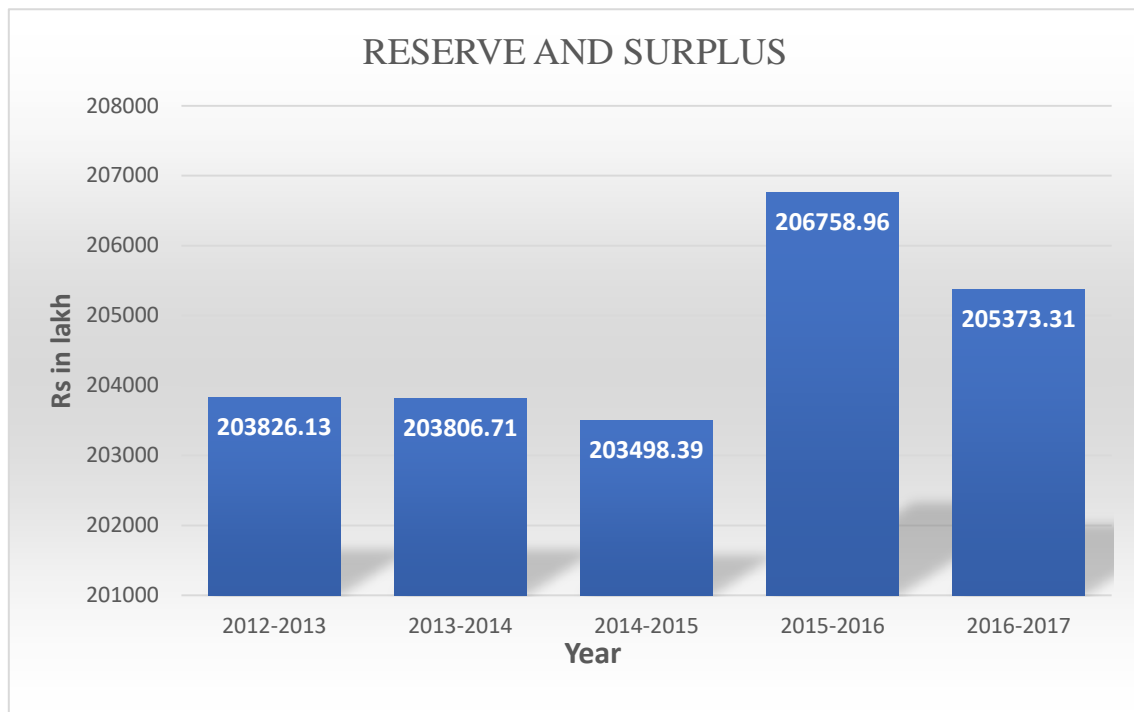
It can be noticed that trend analysis in equity is constant in all the 5 years the company has not given or subscribed any equity. The equity capital amount is constant for all the 4 year i.e. Rs 4177.22 lakhs.

RESERVES AND SURPLUS

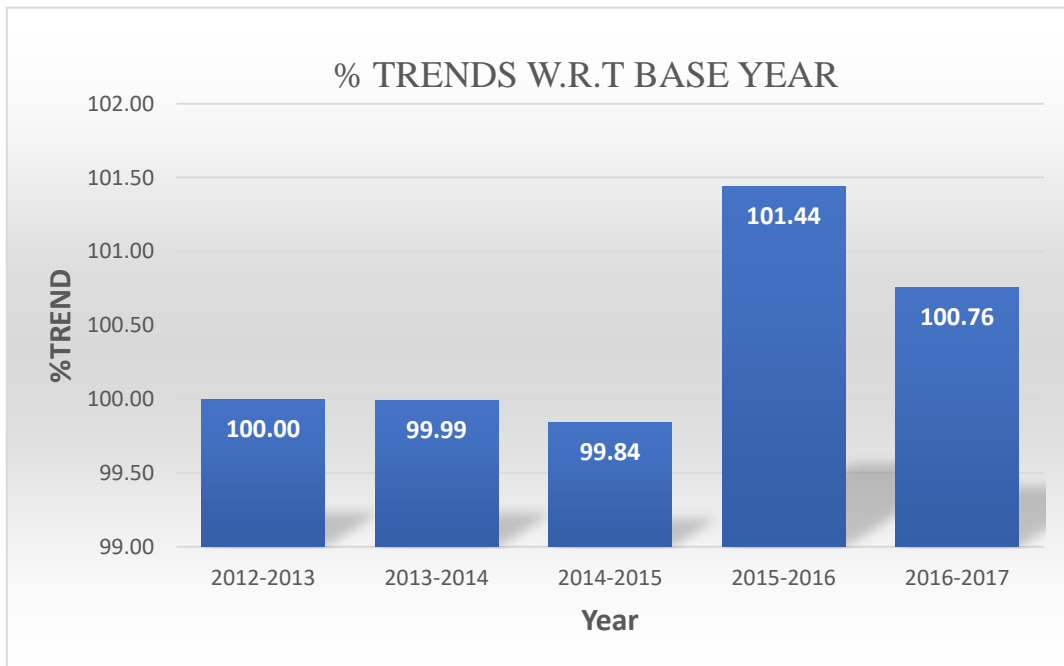
TABLE 2; TREND ANALYSIS OF RESERVES AND SURPLUS

RS. IN LAKHS			
RESERVE AND SURPLUS			
YEARS	RESERVE AND SURPLUS	% TRENDS W.R.T BASE YEAR	GROWTH RATE W.R.T BASE YEAR
2012-2013	203826.13	100.00	0.00
2013-2014	203806.71	99.99	-0.01
2014-2015	203498.39	99.84	-0.16
2015-2016	206758.96	101.44	1.44
2016-2017	205373.31	100.76	0.76

GRAPH 3; RESERVES AND SURPLUS OF 5 YEARS.



GRAPH 4 ; TREND ANALYSIS OF RESERVES AND SURPLUS.



INTERPRETATION ;

The trend in reserves and surplus has been fluctuating over the years. The trend in 2013-14 as observed is at 99.99 i.e. decreased by 00.01% with respect to the base year 2012-13 trend.

The trend in 2014-15 is 99.84 i.e. 0.16% decreased with respect to the base year 2012-13.

The trend in 2015-16 the trend is increased by 1.44% with respect to the base year.

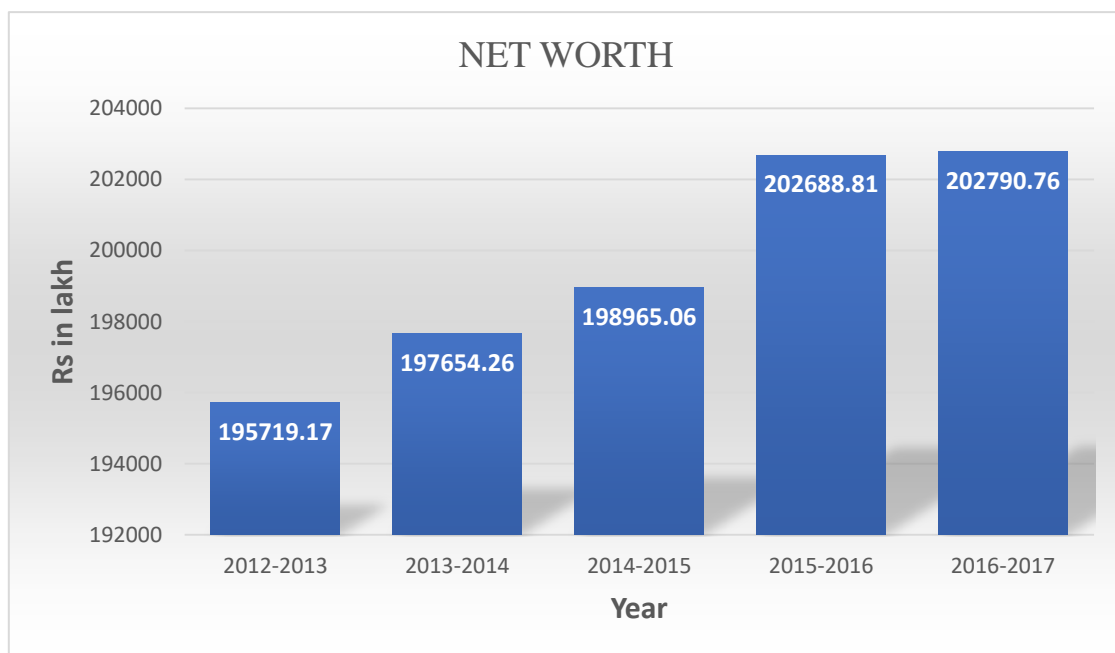
The trend analysis of 2016-17 also increased by 0.76% compare to the base year 2012-13.

NET WORTH

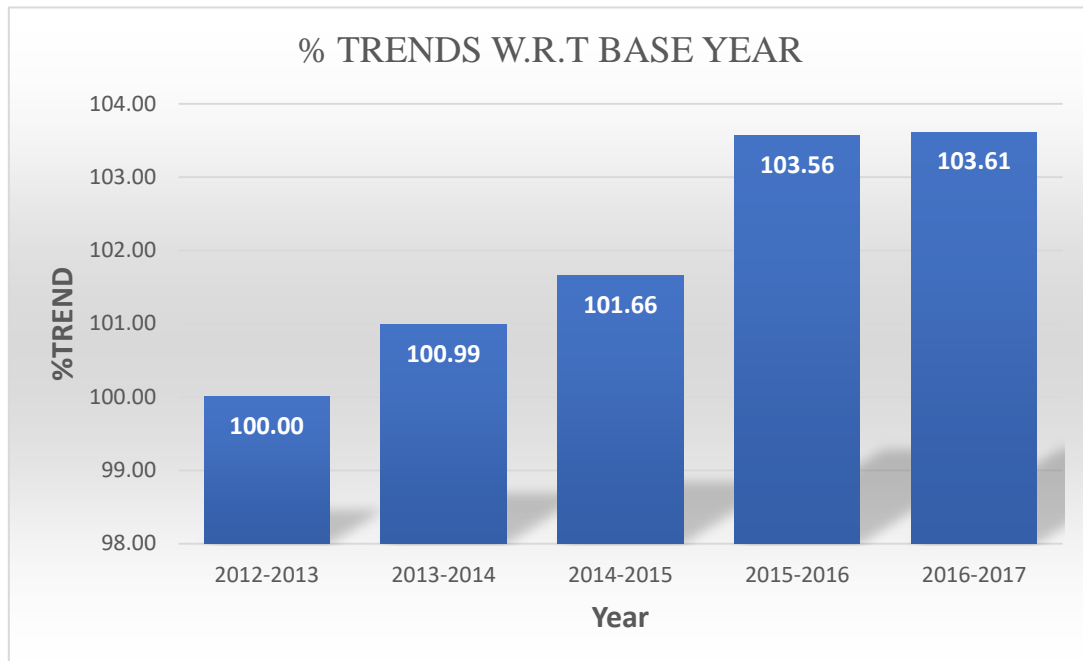
TABLE3 ; TREND ANALYSIS OF NET WORTH.

RS. IN LAKHS			
NET WORTH			
YEARS	NET WORTH	% TRENDS WRT BASE YEAR	GROWTH RATE WRT BASE YEAR
2012-2013	195719.17	100.00	0.00
2013-2014	197654.26	100.99	0.99
2014-2015	198965.06	101.66	1.66
2015-2016	202688.81	103.56	3.56
2016-2017	202790.76	103.61	3.61

GRAPH 5 ; NET WORTH OF 5 YEARS.



GRAPH 6 ; TREND IN NET WORTH.



INTERPRETATION ;

The Trend in net worth as been fluctuated over the years. The trend in 2013-14 as observed is at 100.99% with increase of 0.99% in base year 2012-13.

The trend in 2014-15 raised to 101.66% that is increased by 1.66% in base year 2012-13.

Again in the year 2015-16 the trend is increased by 3.56% in base year 2012-13.

The trend in 2016-17 is 103.61% that is 3.61% in the base year 2012-13.

INVENTORY

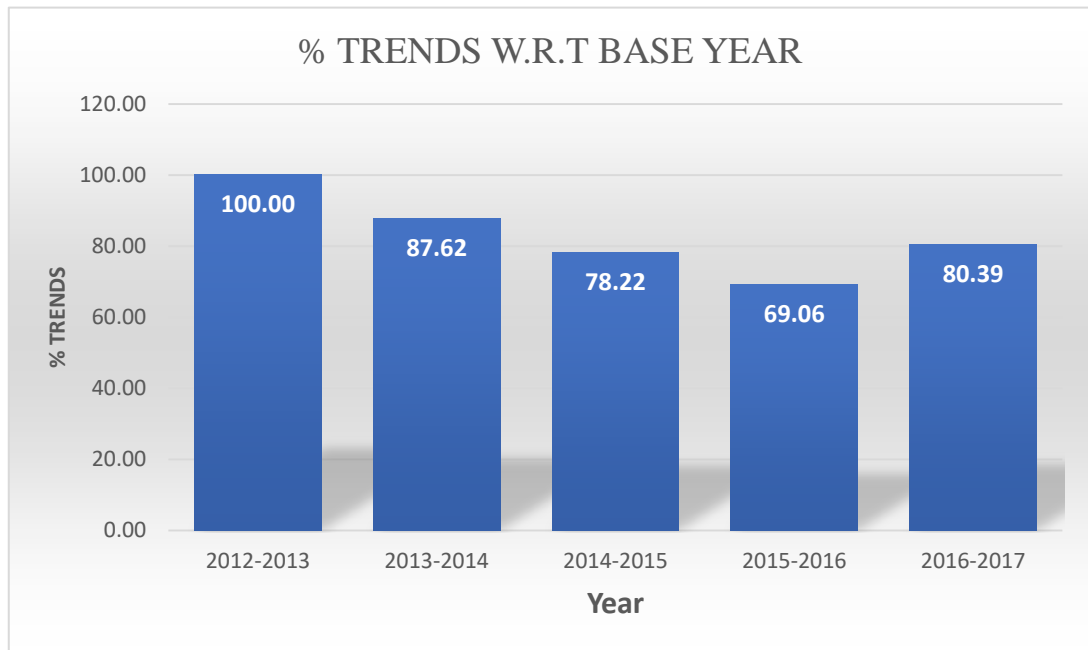
TABLE 4 ; TREND ANALYSIS OF INVENTORY

RS. IN LAKHS			
INVENTORY			
YEARS	INVENTORY	% TRENDS W.R.T BASE YEAR	GROWTH RATE W.R.T BASE YEAR
2012-2013	245619.92	100.00	0.00
2013-2014	215210.29	87.62	-12.38
2014-2015	192119.78	78.22	-21.78
2015-2016	169631.83	69.06	-30.94
2016-2017	197445.58	80.39	-19.61

GRAPH 7 ; INVENTORIES OF 5 YEAR.



GRAPH 8 ; TREND IN INVENTORIES.



INTERPRETATION ;

There is a variation in the trend during the 5 years as far as inventories is considered.

Maximum amount of trend can we see in the base year 2012-13.

There is a variation in the year in the 2013-14 with value of 87.62% which is decreased by 12.38% with respect to the base year.

there is slight down in the next few years that is in 2014-15 decreased by 21.78% and next year 2015-16 decreased to 69.06% that is down by 90.94%.

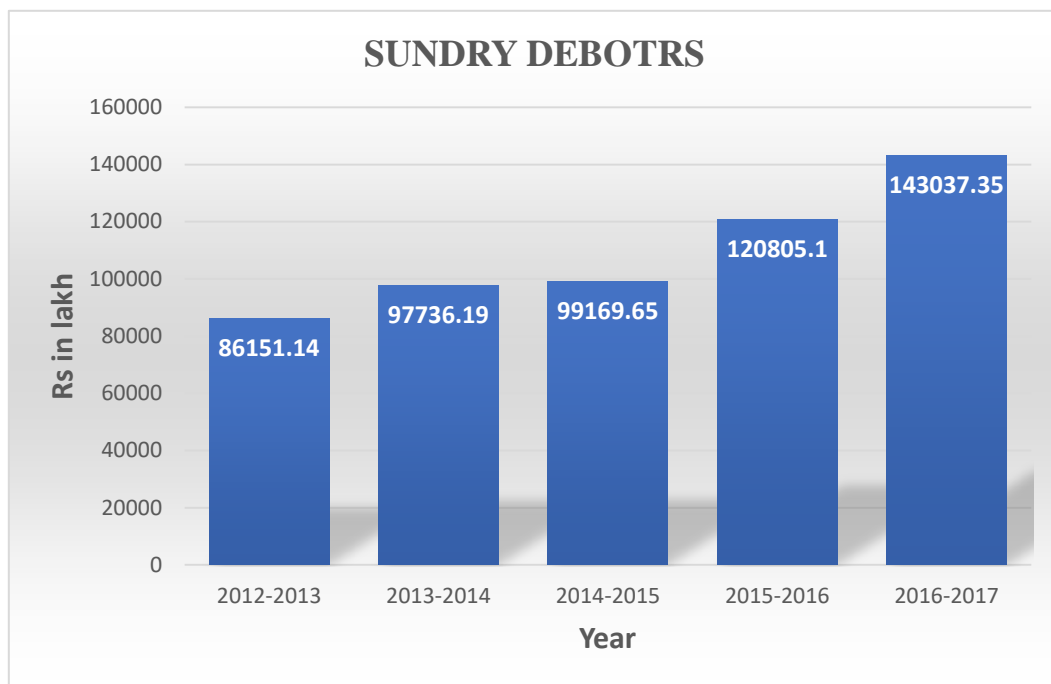
there is slight rise in trend compare to previous year but in the year 2016-17 80.39% decreased by 19.31% with respect to base year 2012-13.

SUNDRY DEBOTRS

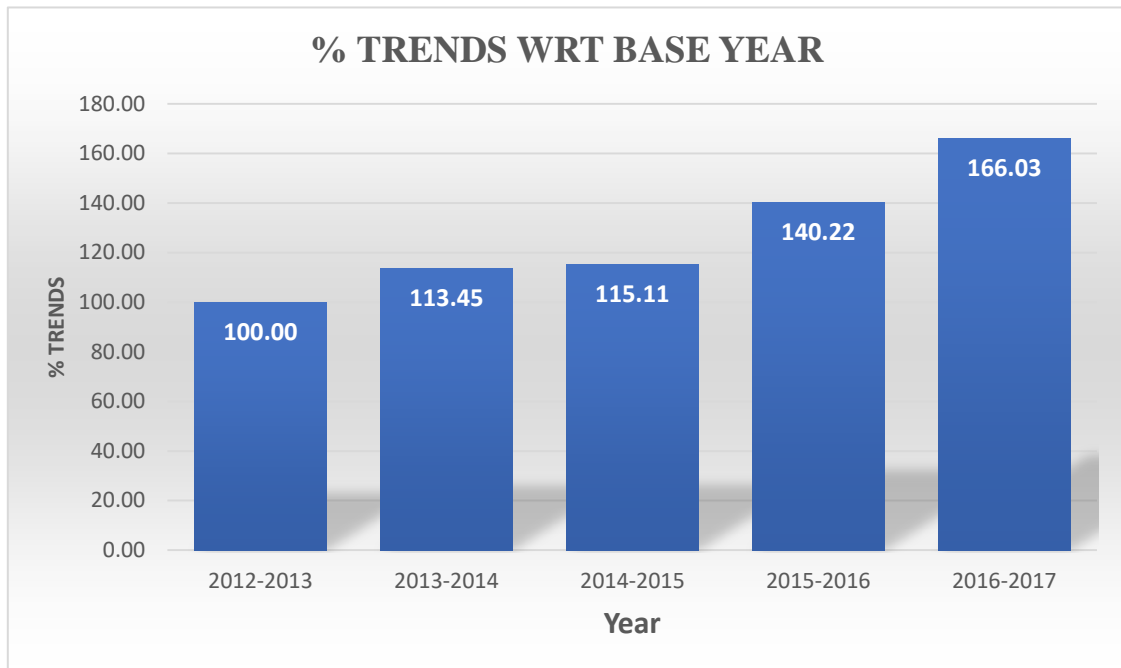
TABLE 5 ; TREND ANALYSIS OF SUNDRY DEBTOR.

RS. IN LAKHS			
SUNDRY DEBOTRS			
YEARS	SUNDRY DEBOTRS	% TRENDS WRT BASE YEAR	GROWTH RATE WRT BASE YEAR
2012-2013	86151.14	100.00	0.00
2013-2014	97736.19	113.45	13.45
2014-2015	99169.65	115.11	15.11
2015-2016	120805.1	140.22	40.22
2016-2017	143037.35	166.03	66.03

GRAPH 9 ; SHOWING SUNDRY DEBTORS OF 5 YEARS.



GRAPH 10 : TRENDS IN SUNDRY DEBTORS



INTERPRETATION :

There is fluctuation the trends of sundry debtors. The trends in 2013-14 has risen to 113.45% which is 13.45% respect to the base year2012-13.

The trends in 2014-15 which is 115.11% increased by 15.11% with respect in base year 2012-13.

In 2015-16 the sundry debtors trends was 140.22% which is 40.22% increase compared to the base year 2012-13.

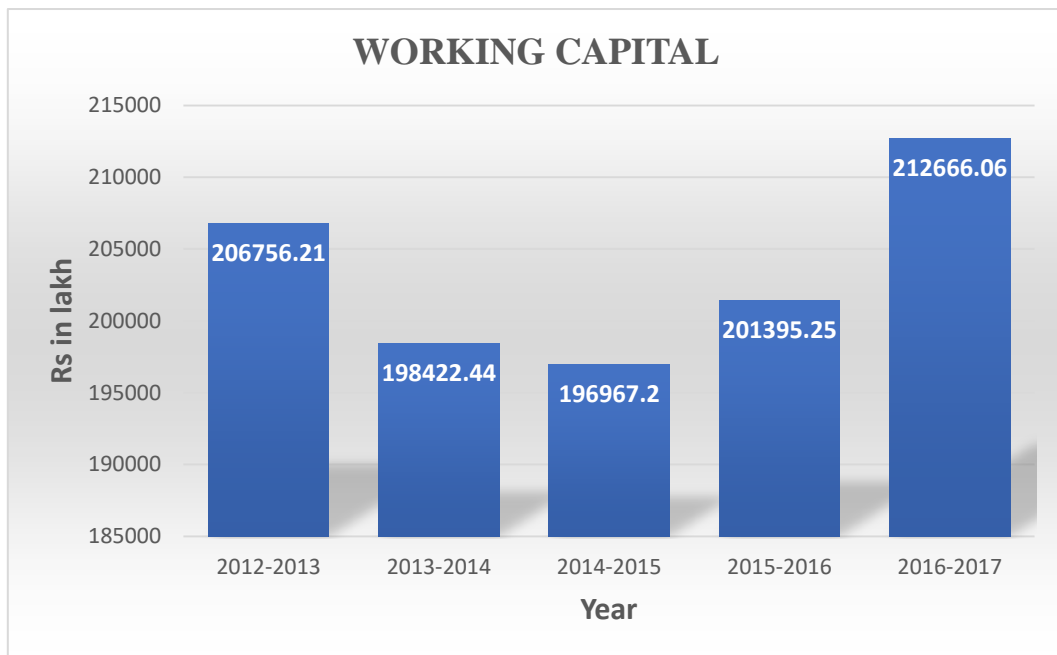
There is a lot of changes in the trends in the year 2016-17 that is 166.03% which is 66.03% increase with respect to the base year 2012-13.

WORKING CAPITAL

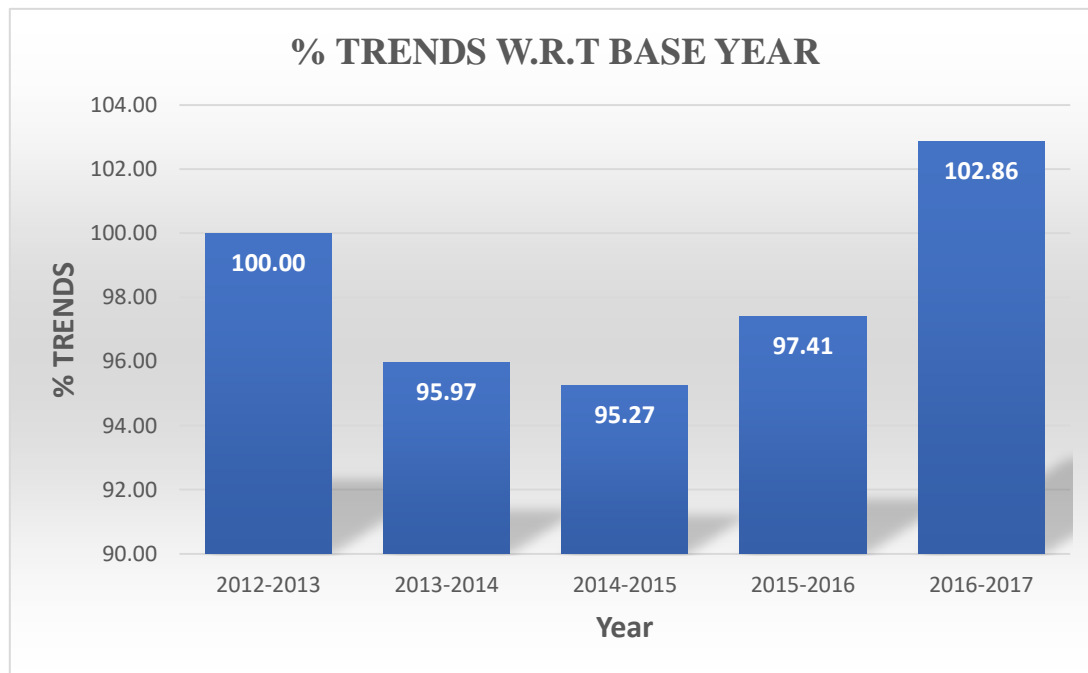
TABLE 6 : TREND ANALYSIS OF WORKING CAPITAL.

RS. IN LAKHS			
WORKING CAPITAL			
YEARS	WORKING CAPITAL	% TRENDS WRT BASE YEAR	GROWTH RATE WRT BASE YEAR
2012-2013	206756.21	100.00	0.00
2013-2014	198422.44	95.97	-4.03
2014-2015	196967.2	95.27	-4.73
2015-2016	201395.25	97.41	-2.59
2016-2017	212666.06	102.86	2.86

GRAPH 11 : SHOWING WORKING CAPITAL OF 5 YEARS



GRAPH 12 : TREND ANALYSIS OF WORKING CAPITAL.



INTERPRETATION :

Variable trend is observed in the working capital trend over the years. There is no growth in first 3 year. The trend in 2013-14 was 95.97% which is 4.03% net decreased in trend with respect to the base year 2012-13.

The trend in 2014-15 95.27% again the trend was down by 4.73% net decreases by compare to base year.

The trend in the year 2015-16 has shown little improvement compare to previous year but compare to base year 2.59% was decreased.

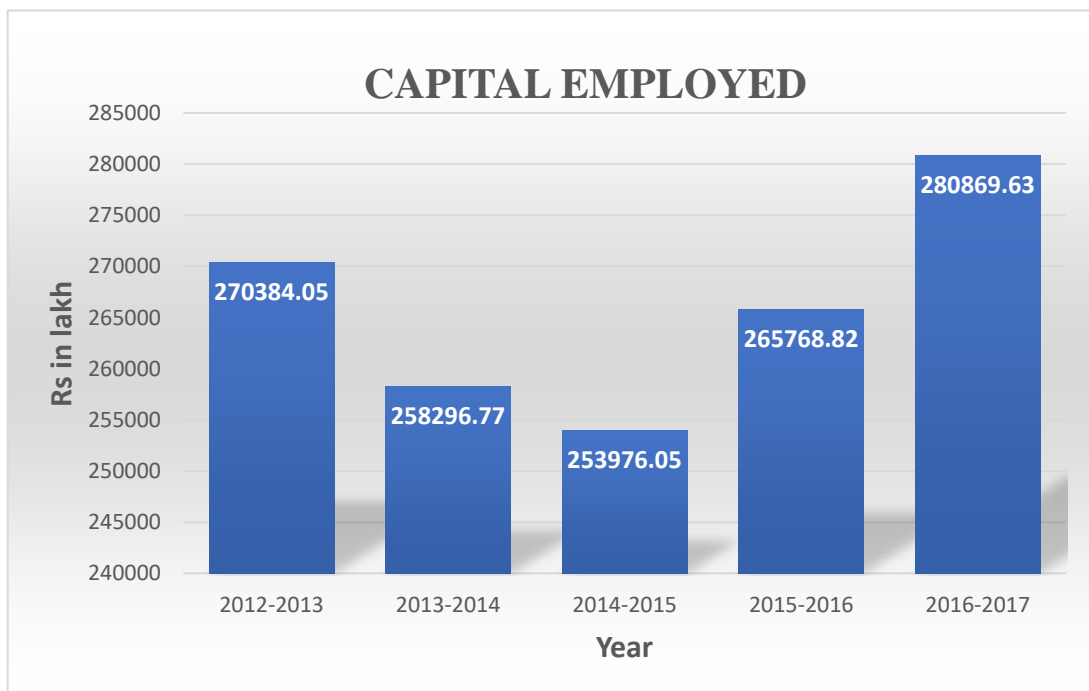
The trend in 2016-17 has improved to a great extent when compared to the previous year an record a value of 102.86% which is a 5.45% net increased and compared to base year 2012-13 net increased by 2.86%.

CAPITAL EMPLOYED

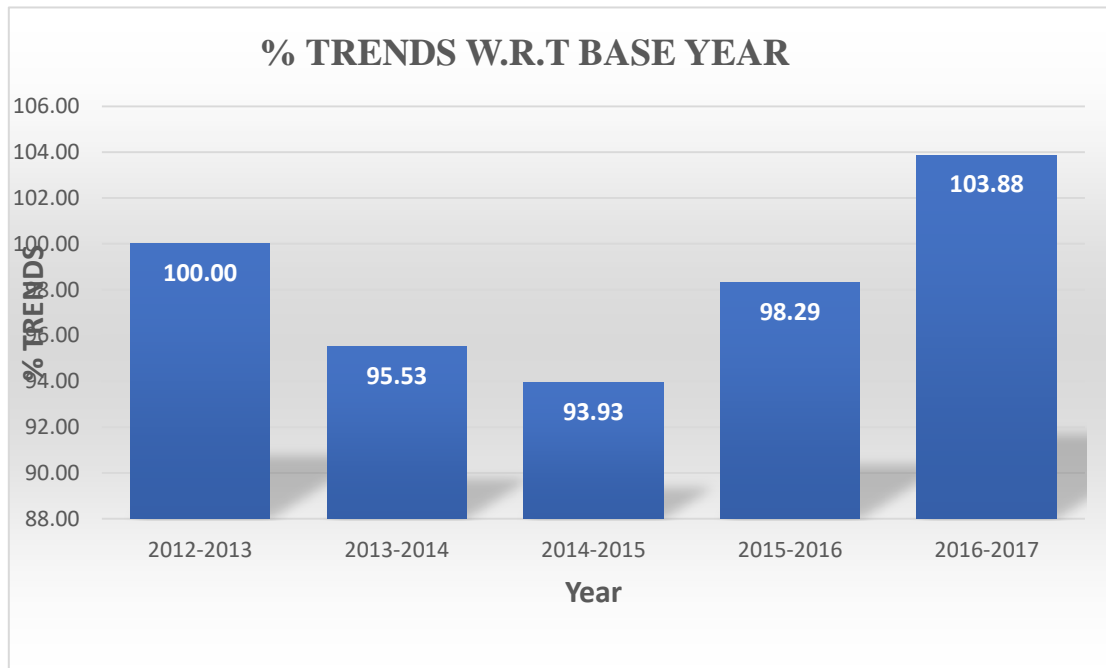
TABLE 7 : TREND ANALYSIS CAPITAL EMPLOYED.

RS. IN LAKHS			
CAPITAL EMPLOYED			
YEARS	CAPITAL EMPLOYED	% TRENDS WRT BASE YEAR	GROWTH RATE WRT BASE YEAR
2012-2013	270384.05	100.00	0.00
2013-2014	258296.77	95.53	-4.47
2014-2015	253976.05	93.93	-6.07
2015-2016	265768.82	98.29	-1.71
2016-2017	280869.63	103.88	3.88

GRAPH 13: SHOWING CAPITAL EMPLOYED OF 5 YEAR.



GRAPH 14 : TREND ANALYSIS IN CAPITAL EMPLOYED.



INTERPRETATION :

The trends in the capital employed variable over a year. The trend in 2013-14 was 95.53% which is decreased by 4.47% with regards to the base year.

The trend in 2014-15 has 93.93% decreases by 6.07 in base year 2012-13.

The trend in 2015-16 has 98.29% which is increased by 4.36% respect to the previous year that is 2014-15. And compare to base year 2012-13 the trend is decrease by 1.71%.

In the year 2016-17 has recorded with an increasing trend with respect to the previous and base year which is 103.88% that is 3.88% increased with respect to base year 2012-13 and 5.59% to previous year 2015-16.

SALES

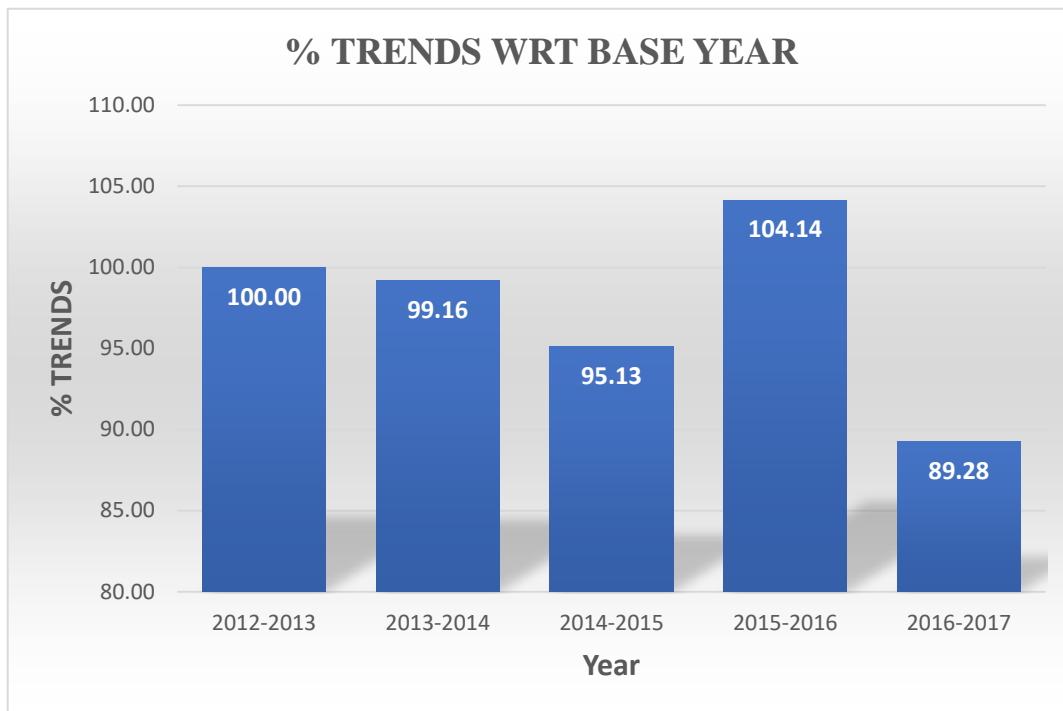
TABLE 8 : TREND ANALYSIS OF SALES

RS. IN LAKHS			
SALES			
YEARS	SALES	% TRENDS WRT BASE YEAR	GROWTH RATE WRT BASE YEAR
2012-2013	328977	100.00	0.00
2013-2014	326220	99.16	-0.84
2014-2015	312965	95.13	-4.87
2015-2016	342602	104.14	4.14
2016-2017	293698	89.28	-10.72

GRAPH 15 : SHOWING SALES OF 5 YEARS.



GRAPH 16 : TREND IN SALES.



INTERPRETATION :

The Trend in sales for 5 consecutive years appears to be andecreasing and increasing trend which depicts the healthy growth of the organisation over the year. The trend was decreased in the year 2013-14 by 0.84% with respect to the base year.

And in 2014-15 which is 95.13% decreased by 4.87% with regards to base year 2012-13.

The sales trend in 2015-16 has 104.14% which is increased by 9.01% with respect to previous year and 4.14% respect to base year 2012-13.

In the year 2016-17 the sales trend is completely down compare to previous year that is 14.86% and 10.72% with respect to the base year 2012-13.

RECEVABLES MANAGEMENT

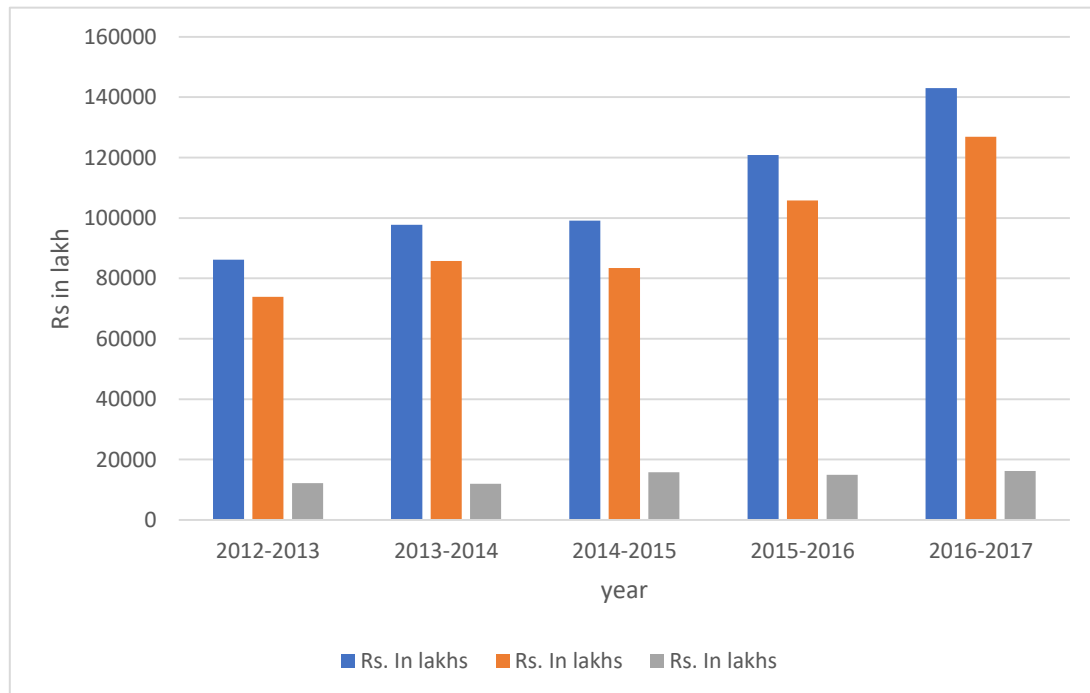
TABLE 11: INDICATING THE VOLUME OF SUNDRY DEBTORS FOR THE LAST 5 YEARS.

Rs. In lakhs			
YEARS	TOTAL SUNDRY DEBTORS	CONSIDERED GOOD	CONSIDERED DOUBTFUL
2012-2013	86151.14	73922.55	12228.59
2013-2014	97736.19	85736.19	12000
2014-2015	99169.65	83401.88	15767.77
2015-2016	120805.1	105834.23	14970.87
2016-2017	143037.35	126845.69	16191.66

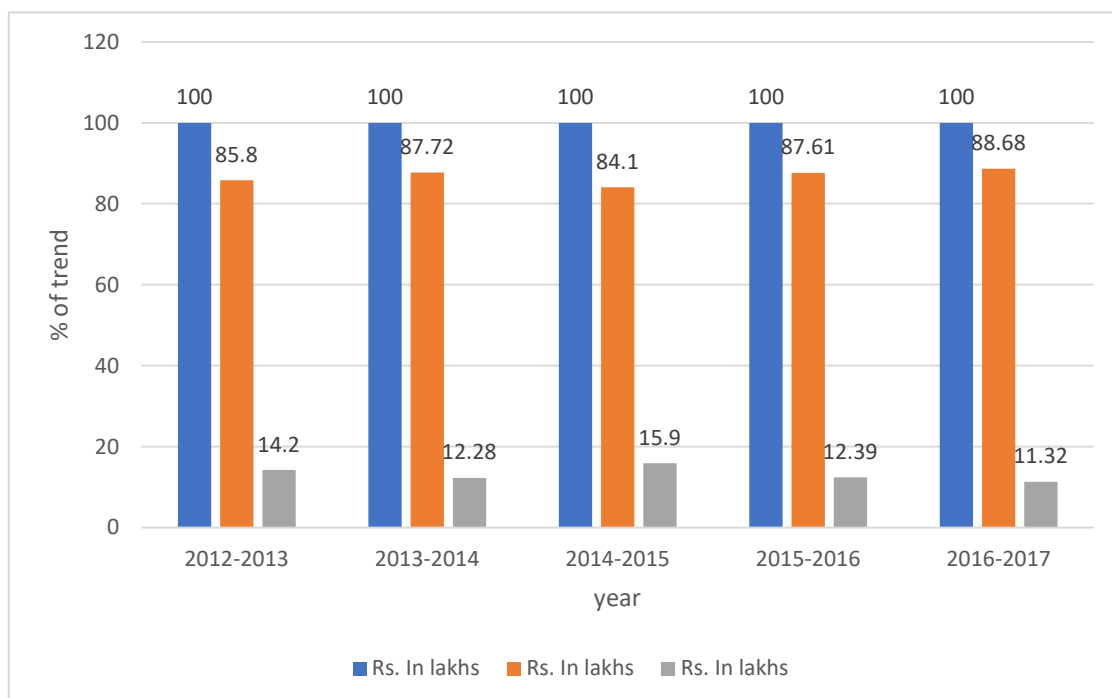
TABLE 12 : SHOWING TREND % OF RECEIVABLES OF 5 YEARS.

Rs. In lakhs			
YEAR	% TREND OF TOTAL SUNDRY DEBTORS	% TREND CONSIDERED GOOD	% TREND CONSIDERED DOUBTFUL
2012-2013	100	85.80	14.20
2013-2014	100	87.72	12.28
2014-2015	100	84.10	15.90
2015-2016	100	87.61	12.39
2016-2017	100	88.68	11.32

GRAPH 17 : SHOWING RECEIVABLES MANAGEMENT OF 5 YEARS.



GRAPH 18 : SHOWING THE % TREND IN RECIEVABLE MANAGEMENT OVER THE LAST 5 YEAR.



INTERPRETATION:

From above information, it can be informed that receivable management at BEML is average as a percentage of sundry debtors considered goods with respect to the total sundry debtors is nearing to 100% over the 5 years. Considered goods and considered doubtful amounts are the fluctuated in all 5 years and % trends in considered goods and doubtful goods are average with respect to base year and previous year.

RATIO ANALYSIS

Ratio may be defined as "the indicated quotient of two mathematical expressions." A ratio can be expressed by dividing one number into another. It is also expressed as a proportion. Some analyst expresses ratio as a rate or time.

As our area of study is the working capital management, the ratios relating to it from 5 years data is taken. And the ratios we are taken study are below:

1. Current ratio
2. Quick ratio
3. Inventory ratio
4. Debtors turnover ratio
5. Working capital turnover ratio
6. Fixed assets turnover ratio
7. Capital turnover ratio

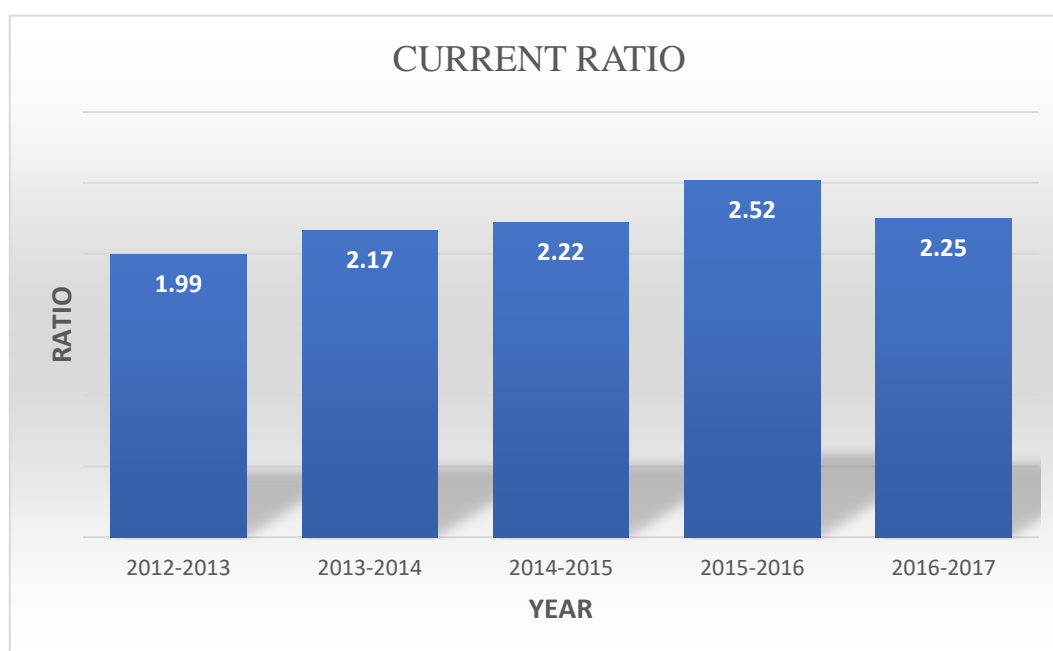
CURRENT RATIO

$$\text{CURRENT RATIO} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$$

TABLE 13

CURRENT RATIO			
YEAR	CURRENT ASSETS	CURRENT LIABILITIES	RATIO
2012-2013	414935.63	208179.42	1.99
2013-2014	368474.74	170052.30	2.17
2014-2015	358858.42	161891.22	2.22
2015-2016	334026.59	132631.35	2.52
2016-2017	382744.93	170078.87	2.25

GRAPH 19 : CURRENT RATIO OF 5 YEAR



INTERPRETATION :

In the above table we can notice that current assets are have an increased trend in connection with current liabilities. The standard current ratio is 2:1. The higher the current ratio the greater margin of safety to creditor. However, in the above table increasing trends in current ratio shows the lower management of the working capital.

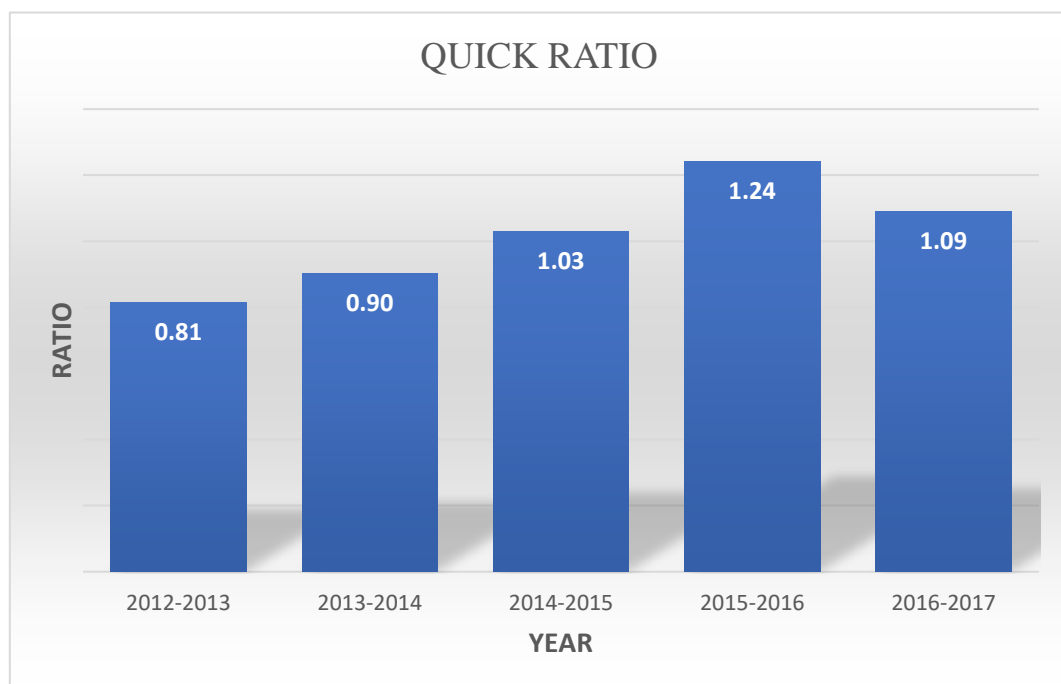
QUICK RATIO

$$\text{QUICK RATIO} = \frac{\text{QUICK ASSETS}}{\text{CURRENT LIABILITIES}}$$

TABLE 14

QUICK RATIO			
YEAR	QUICK ASSETS	CURRENT LIABILITIES	RATIO
2012-2013	169315.71	208179.42	0.81
2013-2014	153264.45	170052.30	0.90
2014-2015	166738.64	161891.22	1.03
2015-2016	164394.76	132631.35	1.24
2016-2017	185299.35	170078.87	1.09

GRAPH 20



INTERPRETATION :

The ratio establishes a relationship between quick assets and quick liabilities generally a quick ratio of 1:1 is considered satisfactory as a firm can easily meet all the current claims. The quick ratio of BEML from the year 2012-13 to 2016-17 has been satisfactory.

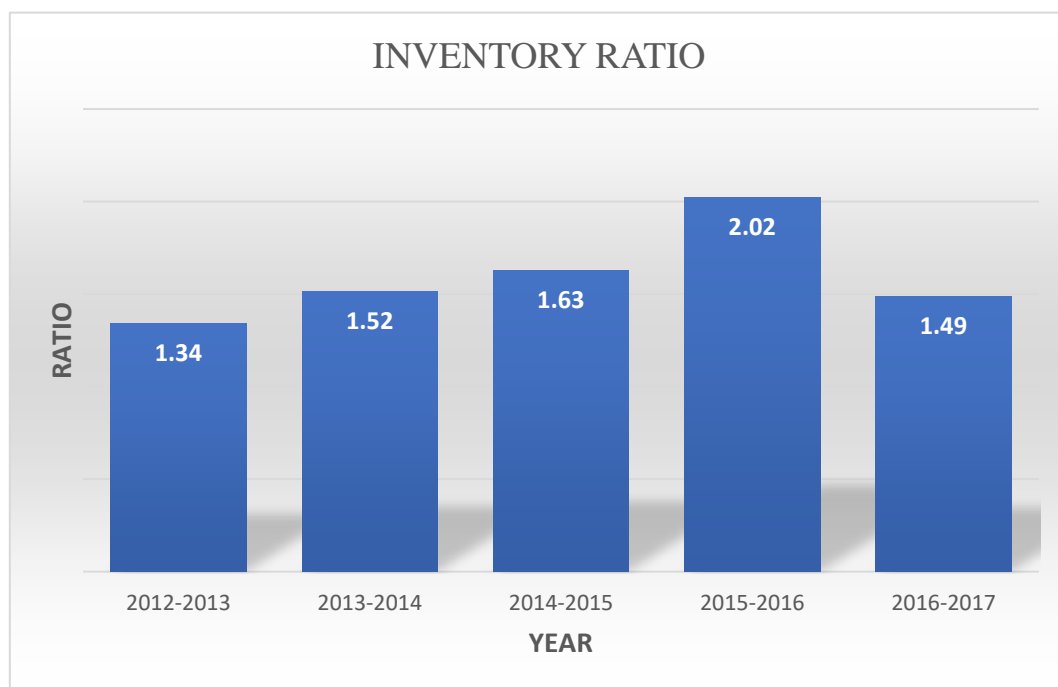
INVENTORY RATIO

$$INVENTORY\ RATIO = \frac{NET\ SALES}{INVENTORY}$$

TABLE 15

INVENTORY RATIO			
YEAR	NET SALES	INVENTORY	RATIO
2012-2013	328977	245619.92	1.34
2013-2014	326220	215210.29	1.52
2014-2015	312965	192119.78	1.63
2015-2016	342602	169631.83	2.02
2016-2017	293698	197445.58	1.49

GRAPH 21



INTERPRETATION :

In the respect of increase in sales there is growth in inventory turnover ratio in the year 2015-16 compared to the base and previous year. From the beginning of the year both inventory and sales were decreased resulting in low inventory turnover ratio.

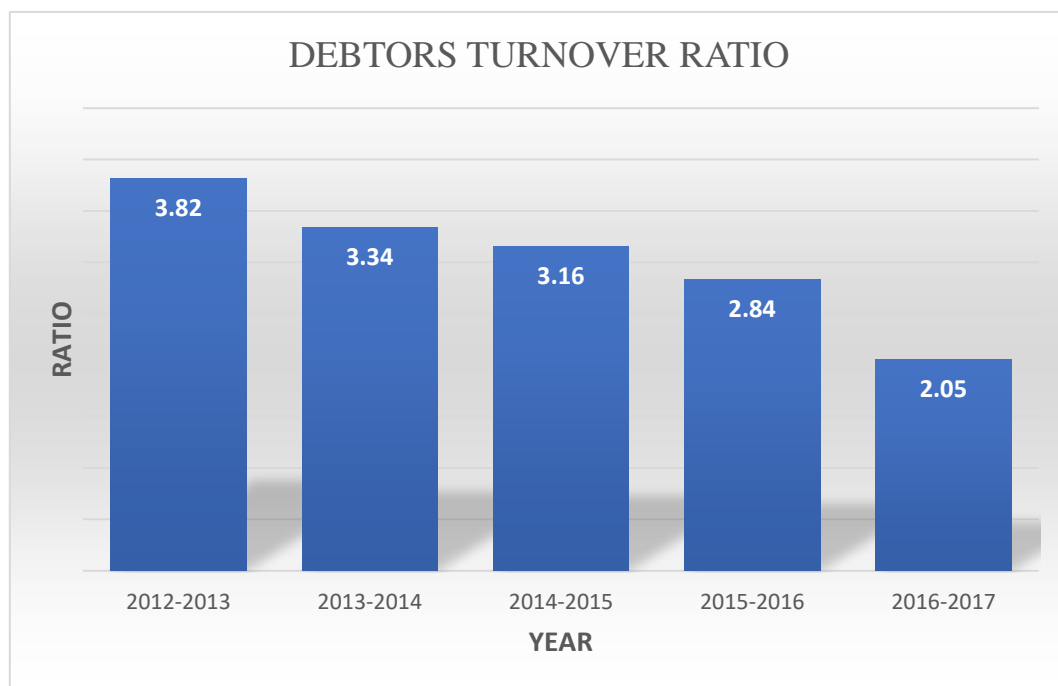
DEBTORS TURNOVER RATIO

$$\text{DEBTORS TURNOVER RATIO} = \frac{\text{TOTAL SALES}}{\text{DEBTORS}}$$

TABLE 16

DEBTORS TURNOVER RATIO			
YEAR	TOTAL SALES	DEBTORS	RATIO
2012-2013	328977	86151.14	3.82
2013-2014	326220	97736.19	3.34
2014-2015	312965	99169.65	3.16
2015-2016	342602	120805.1	2.84
2016-2017	293698	143037.4	2.05

GRAPH 22



INTERPRETATION :

In this shown table, there is no any core rule for debtor turnover ratio, the less ratio shows that low liquid receivables and shows the less liquidity of BEML. The high ratio signs the high liquidity.

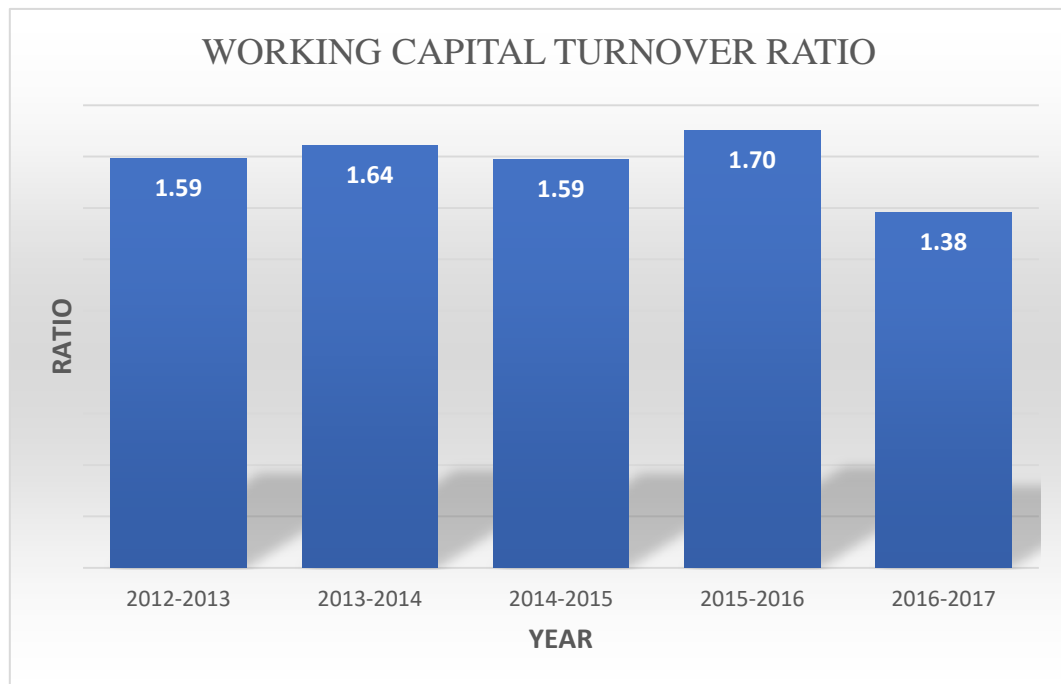
WORKING CAPITAL TURNOVER RATIO

$$\text{WORKING CAPITAL TURNOVER RATIO} = \frac{\text{NET SALES}}{\text{WORKING CAPITAL}}$$

TABLE 17

WORKING CAPITAL TURNOVER RATIO			
YEAR	NET SALES	WORKING CAPITAL	RATIO
2012-2013	328977	206756.21	1.59
2013-2014	326220	198422.44	1.64
2014-2015	312965	196967.2	1.59
2015-2016	342602	201395.25	1.70
2016-2017	293698	212666.06	1.38

GRAPH 23



INTERPRETATION

In this table, the ratio will be compared between the previous year's ratio. The first four years the working capital is satisfactory. But, in the year 2016-2017 there is low ratio it shows that there is inefficient utilisation of working capital.

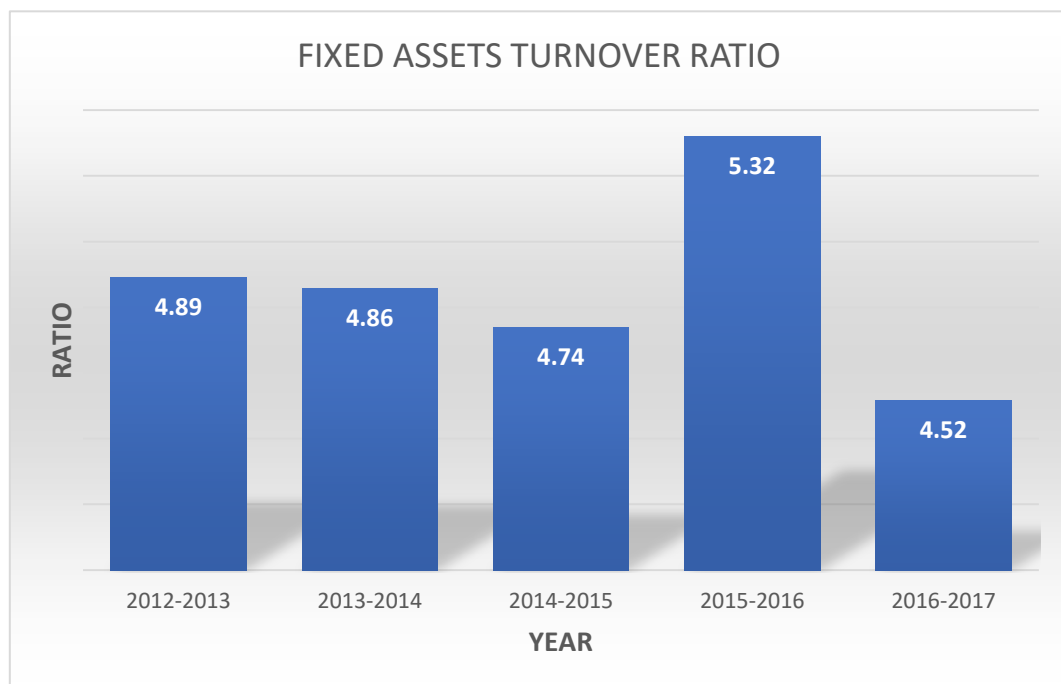
FIXED ASSETS TURN OVER RATIO

$$\text{FIXED ASSETS TURNOVER RATIO} = \frac{\text{NET SALES}}{\text{TOTAL FIXED ASSETS}}$$

TABLE 18

FIXED ASSETS TURN OVER RATIO			
YEAR	NET SALES	TOTAL FIXED ASSETS	RATIO
2012-2013	328977	67,253.07	4.89
2013-2014	326220	67,156.98	4.86
2014-2015	312965	66,041.00	4.74
2015-2016	342602	64,410.05	5.32
2016-2017	293698	65,028.58	4.52

GRAPH 24



INTERPRETATION

The above tables indicates that, in the year 2015-2016 there is better utilisation of fixed assets. And in the year 2016-17 low utilisation of fixed assets due to net sales.0

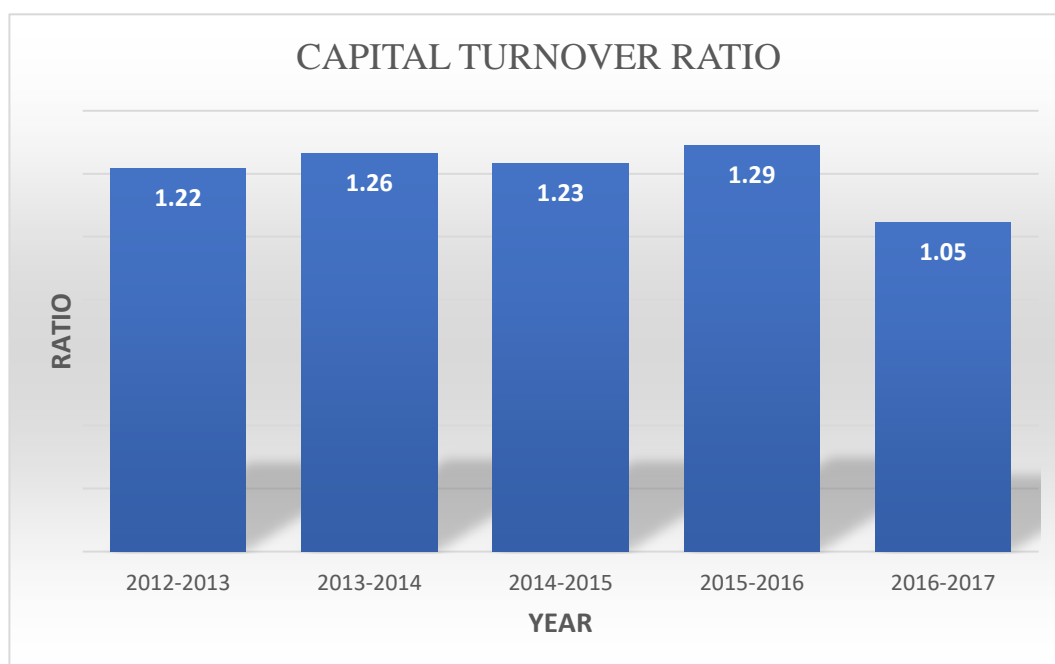
CAPITAL TURNOVER RATIO

$$\text{CAPITAL TURNOVER RATIO} = \frac{\text{COST OF SALES}}{\text{CAPITAL EMPLOYED}}$$

TABLE 19

CAPITAL TURNOVER RATIO			
YEAR	COST OF SALES	CAPITAL EMPLOYED	RATIO
2012-2013	328977	270384.05	1.22
2013-2014	326220	258296.77	1.26
2014-2015	312965	253976.05	1.23
2015-2016	342602	265768.82	1.29
2016-2017	293698	280869.63	1.05

GRAPH 25



INTERPRETATION :

The above table shows that capital employed and cost of sales are utilised efficiently to make the sales every year except the 2016-17. In 2016-17 the capital turnover ratio is very low which means less cost of sales for those sales due to the more usage of capital employed with respect to all the year.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- The equity capital has been constant since 5 year from 2012-13 to 2016-17 hence it is said as the company as not called for shares or debentures.
- Reserves and surplus has seen growth to maximum 1.44% in the year 2015-16 W.R.T base year. Which is really bull for the firm to use this funds when requires.
- The net worth of the firm has been increasing year by year from the base year that shows the management is slowly increasing the firm goodwill.
- The inventory of the firm is rapidly decreased W.R.T to base year which means we can see there is increase in sales year by year.
- There is a high peak in debtors of 66% with respect to the base year. The prompt payment and liquidity of cash is good from year to year.
- The trends in growth of working capital of the company for first 3 year was low with respect to base year. Trend in 2016-17 as increased as a result in sundry debtors, inventory, loans and advances, current liabilities and decrease in case and bank balances.
- Capital employed trend as some fluctuation with the net increase of 3.88% during the 2016-17 W.R.T to base year depicting there is no healthy trend of employing minimum capital to attain maximum sales and revenue.
- Sales are fluctuating year by year but in the year 2016-17 the sales volume is completely down fall with respect to previous and base year it shows the there is no stability.
- We can see that the trend of receivable management is consistent. It shows that there is better working capital management.
- The company has maintained liquidity of the firm which is satisfactory as for as quick ratio is concern.
- We can find that there is an increase of sale by clearing the inventory and company is trying to achieve their goals but in the year 2016-17 there is down fall in sale compare to previous year.
- We can see that there is better utilisation of fixed assets in all the year.
- Capital employed ratio depict the economical usage of working capital to the most which is the most important factor for a firm to attain its organisational objective.

5.2 SUGGESTIONS

- The company need to plan to increase the share capital to meet the expenses and to have a better profit margin for the shareholders.
- The company should attain a proper plan to recovery the debt.
- The firm need to increase the liquid assets cash, trade receivables and marketable securities to make smooth and proper working capital.
- The company need to concentrate to increases sales and achieve the goals.
- The management of BEML ltd should take necessary measure in order to see that all the resources like 5M's are utilised at optimum level.

5.3 CONCLUSION

A case study without conclusion will be like a formal wear without shoes. as mentioned a working capital in BEML is satisfactory. The profits have increased in the year 2016-17 thus we can find company has a growing trend and making very sound financial performance.

Working capital has so for being looking at as the driving seat for financial heads. By studying the working capital management at BEML one can know the growth and prospectus of the company.

Thus we can conclude the study by analysing BEML is a good model for every public ltd company.

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ANNEXURES

FINANCIAL STATEMENTS

BEML Limited

Balance Sheet For Financial Year From 2012-13 To 2016-2017

Particulars	2013	2014	2015	2016	2017
I Equity And Liabilities					
(1) Shareholders Funds					
(A) Share Capital	4177.22	4177.22	4177.22	4177.22	4177.22
(B) Reserve And Surplus	203826.10	203806.70	203498.40	206759.00	213978.10
Sub Total	208003.4	207983.9	207675.6	210936.2	218155.3
(2) Share Applications Money Pending Allotment	0.00	0.00	0.00	0.00	0.00
(3) Non-Current Borrowings					
(A) Long Term Borrowings	49811.05	46520.11	41392.67	36265.22	31052.30
(B) Other Long Term Liabilities	40603.50	37939.83	31697.48	36399.19	34189.87
(C) Long Term Provisions	14916.67	13587.26	16435.86	16064.00	17494.24
Sub Total	105331.20	98047.20	89526.01	88728.67	82736.41
(4) Current Liabilities					
(A) Short Term Borrowings	71620.00	43943.21	17823.51	14542.15	15846.28
(B) Trade Payables	48955.65	38579.63	54328.65	40821.47	49684.90
(C) Other Current Liabilities	680588.70	75892.21	77141.60	61750.69	89648.90
(D) Short Term Provisions	19514.58	11637.25	12597.46	15517.04	14940.35
Sub Total	208179.40	170052.30	161891.20	132631.40	170120.40
Total Equity And Liabilities	521514.00	476083.40	459092.80	432296.20	471012.20
II Assets					
(1) Non-Current Assets					
(A) Fixed Assets					
(I) Tangible Assets	50253.93	47775.37	45455.92	52306.09	51843.99
(II) Intangible Assets	2820.50	2094.25	1415.24	1715.58	5242.26
(II) Capital Work In Progress	11322.87	13533.63	14994.98	5883.43	7942.33
(IV) Intangible Assets Under Development	2855.77	3753.73	4174.86	4504.95	0.00
(B) Non-Current Investments	257.64	257.64	257.64	257.64	257.64
(C) Deferred Tax Assets (Net)	10523.84	10005.33	10137.85	10351.57	11117.57
Sub Total	78034.55	77419.95	76436.49	75019.26	76403.79
(D) Long Term Loans Advances	28297.98	29760.71	23391.01	22816.30	1837.23
(E) Other Non-Current Assets	245.83	428.03	406.92	434.05	10026.27
Sub Total	28543.81	30188.74	23797.93	23250.35	11863.50
(2) Current Assets					
(A) Current Investments	155.70	129.06	80.02	62.14	51.83
(B) Inventories	245619.90	215210.30	192119.80	169631.80	197445.60
(C) Trade Receivables	86151.14	97736.19	99169.65	120805.10	143037.40
(D) Cash And Cash Equivalents	7692.46	1623.49	14473.02	6556.18	1401.02
(E) Short Term Loans And Advances	38612.71	23437.98	16631.50	20681.99	1331.46
(F) Other Current Assets	36703.70	30337.73	36384.45	16289.35	39477.69
Sub Total	414935.60	368474.70	358858.40	334026.60	382744.90
Total Assets	521514.00	476083.40	459092.80	432296.20	471012.20



ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA

INTERNSHIP WEEKLY REPORT (16MBAPR407)

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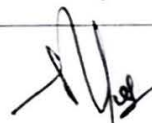



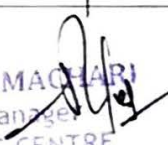
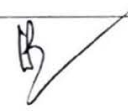
Specialization: Finance

Title of the Project: A Study on Working Capital management With Reference to BEML
Mysore Complex, Mysore

Company Name: BEML MYSORE

Week	Work Undertaken	External Guide Signature	Internal Guide Signature
16-01-2018 to 22-01-2018	Introduction about BEML MYSORE		
23-01-2018 to 29-01-2018	Learning about the different operations and product by BEML MYSORE		
30-01-2018 to 5-02-2018	Orientation and gathering information about the growth of the company		
6-02-2018 to 12-02-2018	Orientation with functional department of the organisation and detailed study of Department.		
13-02-2018 to 19-02-2018	Research problem identification		

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बेलवाडी पोस्ट Belavadi Post
मैसूरु MYSURU-570 018

20-02-2018 to 26-02-2018	Preparation of the research instrument for data collection		
27-02-2018 to 5-03-2018	Theoretical background of the study		
6-02-2018 to 12-03-2018	Data collection and data analysis		
13-03-2018 to 19-03-2018	Interpretation of the data gathered during the survey		
20-03-2018 to 26-03-2018	Final report preparation and submission		

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