

## **Executive summary**

The study of working capital management is to understand practically. The working capital management is the maintain a ratio between current assets and current liabilities this ratio shows the present ability of the organization to pay its short time finance obligations, it's components like inventories bills payables bills receivables and those items which can be used as short term payments and recievables. The objective of the study is to understand the impact of working capital on profitability of the company.

Working capital affects to both profitability and liquidity because the working capital is the difference between current assets and liabilities if the current ratio is more liquidity is more and if the liquidity position is high the profitability if quite low return from current assets is always low

This project focuses on how the working capital affects to the gainfullness at 1STARSPM Bangalore, The 1STARSPM a manufacturers of a special purpose machines like leak testing machines pressing machines conveyer and assembling machines etc. in this type of industries more dependent on working capital to expand there business,

The study of working capital management by using 3 years financial reports analyzing through various ratios and graphs.