

**A STUDY ON WORKING CAPITAL MANAGEMENT IN
GI TECHNOLOGY (GAYATHRI CASHEW PROCESS MACHINE) PRIVATE LIMITED COMPANY
CHENNAI**

Submitted in partial fulfillment of the requirements for the award of
Master of Business Administration

by

**KRITHIKA.D
REGISTER NO. 39410099**



**DEPARTMENT OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

Accredited with "A" grade by NAAC | 12B Status by UGC | Approved by AICTE

Jeppiaar Nagar, Rajiv Gandhi Salai, Chennai – 600 119

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www.sathyabama.ac.in

SCHOOL OF MANAGEMENT STUDIES

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of KRITHIKA .D 39410099 who carried out the project entitled "**A study on Working capital management in GI Technologies(Gayathri cashew process machine)**" under my supervision from January 2021 to March 2021.

Dr. THAMILSELVAN, M.Com,MBA,M.Phill,B.Ed,ph.d

Mr. A. BHARATHY,MCOM

Internal Guide

External Guide

Dr. BHUVANESWARI .G, MBA., Ph.D

Dean – School of Management Studies

Submitted for Viva voce Examination held on_____

Internal Examiner

External Examiner

DECLARATION

I **KRITHIKA.D 39410099** hereby declare that the Project Report entitled **A study on Working capital management in GI technology gayathri cashew process machine private limited company** done by me under the guidance of **Dr.R.THAMILSELVAN, M.Com,MBA,M.Phill,B.Ed.,ph.d (Internal) and Mr.A.BHARATHY M.COM** at GI Technology, CHENNAI is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

D.KRITHIKA

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D.KRITHIKA

ABSTRACT

The study of undergone at GI TECHNOLOGIES, GAYATHRI CASHEW PROCESS MACHINE. The industrial training focuses towards knowledge and practical exposure in the different areas of an organization. It exchanges the knowledge level of the candidate wherein which they can apply practical knowledge in future carrier through this study. From this study it has been observed that the human resource, production, marketing and finance department of GI TECHNOLOGIES, GAYATHRI CASHEW PROCESS MACHINES. Aims to be a socially an environmentally responsible world leader in their business (CASHEW PROCESSING MACHINE) with an innovative products and services, benefiting all concerned. I have practically noticed this through industrial training

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CHAPTER - I

INTRODUCTION

1.1 INTRODUCTION OF THE STUDY:

Working capital means the funds which are required to meet the daily transactions of the business. In other words it refers to that part of the firm's capital which is required for financing current assets such as cash, marketable securities, debtors and inventories. Thus working capital is very significant facet of financial management. Every business concern should have adequate working capital to run its operations smoothly. effects on firm's profit Therefore, business concerns should maintain adequate working capital. The basic objective of working capital is to manage the firm's current assets and current liabilities in such a way that that a satisfactory level of working capital is maintained. Working capital policies have a great effect on a firm's liquidity and profitability. Therefore, the working capital should be managed in such a way which will ensure higher profitability and proper liquidity to the business concern. The significance of working capital management is to ensure that the organization maintains a 'good fit' with the changing environment and strives to build the capability to cope with challenges.

1.2 INDUSTRY PROFILE:

Industry is the production of goods or related services within an economy. The major sources of revenue of a group or company is the inventor of its relevant industry. when a large group has multiple sources of revenue generation, it is considered to be working in different industries. An industry is the most popular training refers to a programs which aims to provide supervised practical training within a specific timeframe. This training can be carried out either in government organization or in the private sector. In today world merely having a degree no of guarantee of employment, nor is it reliable indicators of an individual competence in a job. Rather, graduates must have current and relevant knowledge, practise experiences. The main aim of the industrial training program is to produce graduates who are ready to face the working world.

1.3 COMPANY PROFILE

LOGO



GI TECHNOLOGIES engages in manufacturing, distributing, marketing, human resources management and exporting the goods to all over the world. It is established in the year 1994. Members are affiliated in EEPC. Products exporter, suppliers , and manufacturer the cashew machines, Cashew processing machines, Cashew nut shelling machine, cashew drying system, humid..... Services in designing cashew processing machines. The design and develop this range using latest technology while keeping in mind their requirements. They have been able to expand the business across the markets of nation. Furthermore, his visionary and motivated personal are the factors, that have enables us to meet requirements of the clients with in the best possible manner.

Our product design& development consist of highly talented cross functional exports functional exports to offer technically advanced machineries assures ease of maintenance lower operating cost.

HISTORY OF THE COMPANY

Industries are part of the secondary activity. Secondary activity or manufacturing converts raw material into products of more value to people. Industry refers to economic activities concerned with production of goods , excitation of services and provision or services. Cashew is often regarding as “ poor man’s crop and rich man’s food” and is important cash crop and highly valued nut in the global market. The area under cashew cultivation is the highly in India. However, it is not so in the case of the productivity, processing and quality. In reality, the “GI TECHNOLOGIES” has a high untapped potential to support the livelihood of cashew farmers, provide numerous employment opportunities and improve returns through global trade . The presence work projects the need for important changes to be made in the exciting system, so as to find a substantial improvement in the growth of the GI technologies.

The cashew industry is a traditional agro- based industry in India. It is considering traditional mainly because of the low level of technology involved in the processing of cashew nut. It is an professional objects of the companies in the year of 1994 and they are highly producing industries in all over the world. They will been always commercial basics of the industries company.

INFRASTRUCTURE

To meet bulk demands of the clients they have structured a sound infrastructure setup at Chennai (Tamil Nadu). Infrastructure which they all backed by this equipped with all the required advanced machinery and facility. This setup also encompasses a sophisticated quality testing laboratory which makes us to meet to test products on the certain parameters. Furthermore, it also includes a well-maintained systemized safe warehouse, which makes us to meet urgent demands of the clients with quality products. To ensure timely execution of production of production process, they have segregated our infrastructure in below cited units;

- Manufacturing units
- Quality Testing Laboratory
- Warehouse

OUR MISSION:

Manufacturing and supplying international standard cashew processing machineries advanced at operating cost.

OUR VISION:

Our needs of customers and exit their exception by providing good services.

OUR PARTNERS IN PROGRESS

- ✓ Vink Corporation
- ✓ Blue jay
- ✓ ETG (Export Tradining Group)
- ✓ VLC Cashews
- ✓ Reliable cashew
- ✓ Condor Caju
- ✓ Sreelekshmi cashew export
- ✓ Raj kumar (The Cashew People)
- ✓ BPS
- ✓ Siva Cashews
- ✓ ZANTYE'S Cashew nuts
- ✓ Pratipa Cashews
- ✓ OLAM

PROCESS FLOW CHART



PRODUCT PROFILE

1.Rawcashew nut cleaning and bagging system

- Raw cashew nut cleaning and bagging system
- RCN purchased from the farm needs proper sun drying, cleaning and bagging to store them for future shipment and processing.
- The system removes the dust /mud/rejected nuts and cleans the RCN and it is weighted and filled in jute bags and sealed to a net weight of 80kg per bag

Nominal capacity 15 metric ton per hour.

- RCN sizing system
- Nominal capacity 1000 to 1500 kg/hr



Raw Cashew Nut- Cleaning and Bagging System

Figure.1 raw cashew nut – cleaning and bagging system

2. Cashew nut Boiler system

Cashew steam roaster, cashew steam cooker, cashew steam boiler, RCN cooker, cashew horizontal multi tube boiler, cashew vertical cross tube boiler

Pre condition of RCN is done using steam and the equipment used is called by different names in different regions of the globe. In short RCN conditioned to render the outer shell hard enough for shelling by removing of moisture and CNSL from the shell covering the kernel.

GI TECHNOLOGIES has all the variety of cashew nut boilers and cooker products. The system consists of a steam generator and a cooker to steam roast/steam cook the nuts to facilitate shelling of nuts the next day after sufficient air cooling.

It consists;

- Baby Boiler
- HMT Boiler
- SIB Boiler

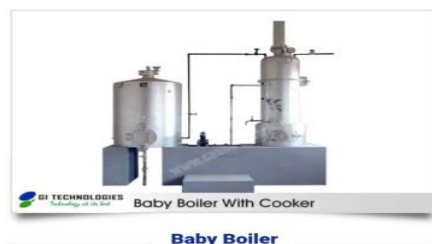


figure2: baby boiler



Figure 3: HMT boiler

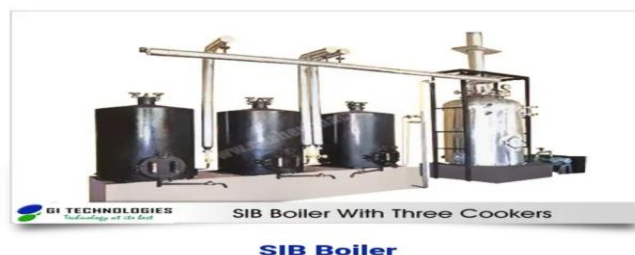


figure 4: SIB boiler

3.Cashew nut hand shelling system

Shelling is done to get embedded cashew kernel out from the nut shell. This can be achieved by manual hand held cutter, mechanized manual cutters and recently introduced automatic cashew nut shelling machine technologically upgraded into a cashew shelling system incorporated integrated shell separation system to deliver optimum productivity .this helps skin the hazardous manual picking of kernels from the shell which spoils worker's skin due to oozing CNSL.



Figure 5: cashew nut shelling system

4.Cashew nut shelling system

Shelling is done to get embedded cashew kernel out from the nut shell. This can be achieved by manual hand held cutter, mechanized manual cutters and recently introduced automatic cashew nut shelling machine technologically upgraded into a cashew shelling system incorporated integrated shell separation system to deliver optimum productivity .this helps skin the hazardous manual picking of kernels from the shell which spoils worker's skin due to oozing CNSL.



Figure 6: semi automatic shelling machine

5. CASHEW KERNELS TRAY DRYER

- Shelled skin on kernels are to be heat treated in an oven , say at 70 to 80C for 8 to 10 hrs to loosen the skin/ test covering the kernel for ease of peeling.
- The tray dryer consist of a trolley to hold 25 trays; each tray can hold about 5kg of cashew kernel.
- Tray dryers are available in 250/500/1000 kg nominal capacity.



Figure 7: cashew drying system

6. HUMIDIFIER



Figure 8: steam humidifier

7. CASHEW KERNEL PEELING MACHINE

- Cashew kernel semi-automatic peeling machine
- Cashew kernels semi- automatic peeling machine 80/160 and 320 kg per hour nominal capacity.
- Peeling machine can be coupled to a super calibrator to separate wholes, splits, broken pieces.
- Also the batch type peeling machine can be coupled to a drum type continuous peeler for better/ increased peeling efficiency.
- **GI TECHNOLOGIES** by an innovative technology break-through at par with manual peeling without compromising on high productivity.



Figure 9: cashew kernel semi automatic peeling machine

8. CASHEW KERNELS PIECE SIZING MACHINE

- There are two types of screens to separate Kernel pieces of different shapes/size- sieve operated by a eccentric motor vibrating the screen or by a motor vibrating screen or by unbalanced vibratory motor for higher efficiency and speed.
- Nominal capacity of pieces sizing machine available are 500kg per hour and 1000kg per hour respectively.



Figure 10: cashew kernels sizing machine

9. CASHEW KERNEL GRADING AND COLOURING SORTING MACHINE

- Color sorting machine can be sort cashew kernel on the basis shape, size and color with an accuracy up to 95%
- They are two types of color sorter belt type and chute type.
- Chute type sorters are recommended for pieces sorting with high accuracy.
- Sorting is done with one selection at a time with a nominal capacity of 500kg , 1000kg and 2000kg per hour.



Figure 11: cashew kernel grading and colour sorting machine

10.CASHEW KERNEL DRY ROASTING SYSTEM

- Machine nominal batch capacity available are 50kg and 250kg.
- The fully stainless steel constructed machine has a roasting drum heated by a LPG gas burner with a digital temperature and trimmer control and drum speed control knob.

- Loading is manual and unloading is by rotating the drum in the reverse direction, which discharge the roasted material through the mouth.
- The roasting drum assures uniform roasting of kernels. Also the dry roaster can be used to coat dry spices and salt to the kernels. when applied just before unloading/ discharging the roasted kernels.
- By varying drum speed and controlling the roasting temperature and time the degree of desired level of roasting can be achieved.



Figure 12: cashew kernel dry roasting system

11. TIN PACKING SYSTEM

- Graded cashew kernels are packed for exporters / local sales in bulk in 18 liter square tins to 25 lbs(11,34 kg)net weight.
- Tin packing system consist of a feeder table where kernels are loaded.., the kernels side through an air blower chute to remove any light for foreign material like paper.



Figure 13: cashew kernel tin filling machine

1.4 STATEMENT OF THE PROBLEM

The most important problem of cashew nut processing machine industry is processing and packaging machine. Bad processing reduce the quality of the machine. On the other hand if there is no good packaging of machine will get broken and destroy test of it. International trade of cashew nut processing machine depends on two things one is cashew nut processing machine is the labor oriented. Hence processing work was depending on physical performance of worker which makes presence of large workforce inevitable. There are many cashew nut process machine processing units closed because they are not getting sufficient work force.

1.5 OBJECTIVES OF THE STUDY

The following are the specific objectives of the study.

- 1.To analyze the effective utilization of working capital.
- 2.To evaluate the performance of receivables and cash.
- 3.To study the structure of working capital.

1.6 SCOPE OF THE STUDY

The scope of the study is identified after and during the study is conducted. The study of working capital is based on tools like trend analysis, ratio analysis, working capital leverage , operating cycle etc... further the study is based on last 5years annual report of GI Technologies (Gayathri cashew process machine)Industry and even the factors like competitors analysis, industry analysis were not considered while prepare in this study.

1.7 LIMITATIONS OF THE STUDY

- ◆ The study duration is short.
- ◆ The analysis is limited to just five years of data study (from year 2015-2019) for financial analysis.
- ◆ Limited interaction with the concerned heads due to their busy schedule.
- ◆ The findings of the study are based on the information retrieved by the selected unit.

1.8 CHAPTER FRAMEWORK

Chapter-1

This Chapter deals with the introduction of the study, Industry Profile, Company Profile, Theoretical Study, Need for the study, Statement of the Problem, Objectives of the Study and Limitations of the Study.

Chapter-2

This Chapter deals with the Review of Literature

Chapter-3

It deals with Research Methodology, Research Design, Data Collection, Sample Size and Period of Study.

Chapter-4

It consists Data Analysis and Interpretation.

Chapter-5

It consists of Findings, Suggestions and Conclusion

CHAPTER-II

2.1 REVIEW OF LITERATURE

Bhatt V. V. (2000):-

He has given concentration on system to appraise working capital management and its finance specially for the large scale companies. This tools also helpful to other sectors like agriculture as well retail trade etc. As bank provide short term finance to operation of business at the same time need to pay attention on repayment of loan and required finance necessity. If these two area is to be maintain properly no need to appraise the working capital management concern.

Smith Keith V. (2002):-

Research has been given focused on the short term finance need to be given more attention for the success of the individual firm. For that finance manager has to give more attention on current assets and current liability. Many firms do investment of current assets in a basket while current liability in many different request. This paper consist eight distinct approaches to working capital management out of it first three gives common guidelines next three regarding constrain set and cost balancing and last two about probability models and portfolio theory.

Chakraborty S. K. (2004) :-

In this research author try to make difference among cash working capital v/s balance sheet working capital. And research is based on two dimensions. First is operating cycle concept and second calculation of operating cycle period in all the four cases. Main aim of this research is to exhibit operating cycle concept based on published annual report of the firm.

NatarajanSundar (2007)has been given views on working capital is having immense important at both, the national as well business level. To keep control on working capital at the national level by controlling credit controls. In practice efficient working capital includes to determine the best suitable level of working.

Sathish Kumar (2004):- He has done the study on few selected public enterprises in India. He tried to check the working capital policies adopted by the sample units. He made attempt to examine the working capital components how efficiently managed. At the last no one company clearly defined working capital policies and hence most of them could not achieve efficiency in working capital management. In this study it is found that majority of investment was made in finished goods inventory that was indicate that working capital was not managed in planned way. Thus, study recommended for careful management of working capital in finance management.

Rao K.V. and Rao Chinta (2001):- This study observed that strong and weak point of conventional techniques of working capital analysis. Outcomes of this study shows that some of the conventional techniques which could realized the working capital behavior well. And some of them fail to do so. And thus authors suggest proper working capital management with conventional method i.e. ratio analysis. Study suggests further inclusive factors which are decisive yardstick in working capital efficiency.

Fazzari Steven M. and Petersen Bruce C. (2005) :-

Research has been put light on financial restrain on investment by giving focus the ignoring role of working capital in both as use and source of funds. As per the views of author liquidity can be maintain by maintaining working capital on smooth manner means to be investment in a manner which does not create cash flow constrain. Through the research found that working capital investment should be “excessively sensitive” with summing up that controlling on smoothing working capital create a long term impact of finance constraints and reported in many other studies also.

Siddharth and Das (2004):- has been done study on “Working Capital Turnover in Pharmaceutical companies” tried to determine efficient use of working capital in selected pharmaceutical firms in India. 10 years data has been concluded that overall turnover ratio was 90.3 time. the finely analysis of the data shows that the selected companies has done well in terms of employment of working capital. Further more study discovered the working capital turnover ratio cried off staidly over the stage from 1981 – 1990.

Vijayakumar and Venkatachalam (2002):- This study was made on observed analysis in working capital and profitability. Study was carried with 13 firms belonging sugar industry for the 10 years period from 1982-1983 to 1991-92. The correlation and regression statistical method has been used to analyze the impact of working capital ratios on profitability. In this study total four ratios has been taken in to consideration; Liquidity ratio, inventory turnover ratio, receivable turnover ratio and cash turnover ratio. The discovery of the study said that liquid ratio and cash turnover ratio have harmful impact on profitability on the other hand inventory turnover ratio and receivables Have positive impact on profitability.

Rafuse (2003):-

The article stressed on working capital enhancement by halting payment of creditors. That was clear many UK companied delayed payment for the long period. Very surprisingly the story reveled in 1994 by the Forum for Private Business, that was a small business association, and reverse side 50 days before payment of debtors were been paid beyond the due date. This article stressed to maintain healthy and close relationship among supplier and customer. The discovery of the study warranted the firms to reduce inventory level as fast as possible in order to increase the profit of the firms. Another fact of study was that control over working capital responsibility goes on the head of finance manager.

Swamy (2001):- was done research with 19 key agricultural area in the contour of Dakshina Kannada district in Karnataka. The research exposed that maintenance of liquidity and profitability is a major problem in the targeted are. To be safe in side of working capital management were found to be suffered and low profitability due to the interest burden. The effects of this firms raised the fund for working capital requirement by borrowing fund from depositors. This study has been given stressed on proper management of working capital so the future of business would be bright.

Hossain SaiedZabid and Akon Md. Habibur Rahman (2003) :-

The main objective of this study is to maintain working capital in proper way. i.e. time of fund requirement, amount of fund and from where to raise fund to be maintain so can possible to acquire trade off among liquidity and profitability.

Ahmed Habib (2004):-

This study is evaluated that the interest rate of fund reducing money power on output. For the study rational expectation model is used to find out relation between production decisions and debt finance. As working capital having immense important factors and its cost, the rate of interest, affects the supply of goods, this study revealed that this model helps to identify the alarming situation when interest rate is used. This model also revealed that effects of monetary policy on the price level and supply side.

GarbPawn Kumar (2004):-

This study was done in selected public sectors firms of Haryana study relate with working capital and liquidity analysis. The analysis of the study says that forecasting of working capital necessity constrained on different factors. After realizing the facts like needs of working capital in public sectors. According to that, need to analyze production schedule, labor cost, sales trend etc. furthermore, suggestion is to manage other components of working capital.

Banal S. P. (2005):-

Review of this study on working capital management refers to the management of current assets and current liabilities to be maintain the various components to increasing the profitability of the firm. The author persists on application of various methods and techniques for the management of working capital and its three main gears cash, receivables and inventors.

Rao govind .D and Rao.P(2007) :-

As per the study management of working capital is constant process. So that proper observation on various components is needed. At the end relationship between different components are needed. This provides proper direction.

Hyon – Han Shin an LUC Soemen (2003):-

The study is on the efficiency of the working capital management and business profitability. There are 58 companies are taken for the research and period for the study is 1975 to 1994, study found that there is a strong negative relationship if firm having long Net Trade Cycle and its profitability. In other side short Net Trading cycle created the risk.

Singh O. N. (2009):-

The research discussed the needs of credit to the farmers or agriculture segment and another need is having proper system of working capital finance in agriculture segment in line and commerce finance, with some changes. Research advised a system which is quite similar useful and fulfill the need of both farmers as well as the bankers. Main aim of the study is to make farmers strong in terms of capital.

Rajendran.M (2008):-

Study believes that management of working capital is a constant process need of finance proper observation or monitoring and revising the relationship of all variables and give conclusion. This is a proper indication to the manager.

Dutta (2010):-

Author Dutta has done study on “Working Capital Management of Horticulture Industry in Humachal Pradesh” that was a case study of Himachal Pradesh Horticulture Produce Marketing and Processing Corporation for the stage 1991 to 1998. The study was thrown the light on financing pattern of working capital management. The study exposed that the working capital of HRMC was going worse gradually during the study period. Though, huge losses of the firm holding the huge amount of inventory and that was a main cause of failed trade off among liquidity and profitability. The conclusion of study like that there was no significant correlation between gross working capital and sales.

Jain P. K. and YadavSurendra S. (2013):-

That was a study of corporate Working capital management related practices in India, Singapore and Thailand. This study tried to understand the relationship of working capital management and current assets and current liabilities. In other hand, authors have revealed the analysis liquidities ratios like current assets and current liabilities. Every sample of study have been pertained these ratios for the management of working capital.

Parvathy (2011):-

Observation of study has shown that in increasing in mode, but net profit has in decreasing in trend because operating cost is high. The others found out and thrown light on the importance of cost of production. Other side found that the return on network and the return to total assets were on the decreasing trend. Researcher has found that the return on investment is stable and the company invested on profitable way. Company's payout ratio was very conservative and that shows growth of the company. With sum up of the research is that for the long term financial stability and formed the debt equity ratio. Opposite side of the research interest coverage ratio and the proprietary ratio were not satisfactory.

FilbeckGreg and Krueger Thomas M. (2013):-

As per the article, need to study internal working capital management and working capital performance. That article was published in CFO magazines. As per the findings of this article macro economic factors, interest rates, competition, etc. having impact on working capital management. Further finding is that management of working capital goes on stock prices also.

MeszekWieslaw and PolewskiMarcin (2014):-

By observation of selected construction companies at area of working capital management and working capital policy formation and strategies implication. The Study was based to develop the controlling methodology for working capital. here, study that was going on construction company having the specific factors are to be consider like functional factors and market requirements which make working capital area wide and more focused.

ChowdhuryAnup and Amin Md. Muntasir (2016):-

That was the study carried on pharmaceutical companies listed in Dhanka Stock Exchange. Observation of the study based on the financial management, according to this major problem found in area of working capital management. It is true that working capital effects go on business performance and growth. The main objective of the study is to evaluate working capital practicability and implication of working capital policy and strategies in the targeted industry.

Arindam Ghosh (2018):-

That was the study carried on Cement Industry of India specific area of study was "Working Capital Management and its practices and impact on profitability. Main aim of the study is to evaluate efficiency of working capital management of selected cement companies in India during the period 1992 to 2001. For the study targeted 20 large cement companies available in India having very large portion in cement industry of India.

Samiloglu F. and Demirgunes K. (2012):-

The objective of the study is to examine effect of working capital management on firm's prosperity. The study carried with manufacturing companies listed in Istanbul Stock Exchange (ISE) the tenure for the study is 1989 to 2007. For the study multi regression statistical method is used. Observed come out of study revealed that some factors having negative impact and some having positive impact on profitability of firms.

Ramachandran Azhagaiah and Janakiraman Muralidharan (2015):-

In this study author examine the relationship among working capital management proficiency and earnings before interest and tax. The study was made on Paper industry in India during 1997 to 2005. For the measurement of working capital management three indexes are taken into consideration performance index, utilization index and efficiency index, and EBIT of the selected companies for the study period are taken. As a conclusion of the study says paper companies of India performed well during period. Some having very good index and some of them need to improve the working capital management give proper attention on that particular area also.

Kushwah. Mathur & Ball (2016):-

The study undergone to evaluate the working capital management and direction in selected five major cement companies i.e. ACC, Grasim, Ambuja, Prism and Ultra-Tech.. For the research purpose secondary data are used like authors collected the financial statement of selected cement companies for the years from 2007 to 2009. There is liquidity ratios and activities ratios are used to analyse the condition of working capital of the companies.

Rao Ramachandran (2018):-

Main aim of his study is to evaluate the trends and parameters of effectiveness of working capital and its utilization in terms of volume of the firms of cotton textiles industry in India. For that three parameters are taken i.e. different indices first one performance Index, utilization index and efficiency Index. For the study industry is divided in three category means small, medium and large. The output of the study is like that linear growth rate model is used to find out the significance with working capital and PI, UI and EI are significant in respect of small size companies while in medium size only UI is significant. On an average we can say that working capital efficiency was not so satisfied despite having PI in growth mode. The reason behind is that continuous factors are declining.

Rahman Mohammad M. (2017):-

Research is based on correlation among working capital and profitability. To analyze the effectiveness of working capital management of the selected textile companies. conclusion of the study found that overall good management in working capital management of selected textile companies and thus most of the companies are profitable way going on.

Dr Arbab Ahmed and Dr Matarneh Bashar (2017):-

Research carried with registration technique which is very powerful statistical tool to forecast the working capital. the area of working capital management, that is possible to make the projection after starting the average relationship in the past. For the purpose different components are used and to be finalized result. And it is presented in diagrammatic way as well mathematical way.

Dr KaddumiThair A. and Dr Ramadan Imad Z. (2012):-

The evaluation was made in 49 jordanian companies they are listed in Amman Stock Exchange, The carried with topic like effect of working capital management on the profitability in a targeted companies for the period 2005 to 2009. This goal could be achieved with help of two different measures one is for profitability and another one is for performance of working capital management i.e. proxy and five proxies use full for respective goal. For the estimation two regression models fixed effects model and ordinary least model are used.

Kaur Harsh V. and Singh Sukhdev (2018):-

This article focuses on cash conversion efficiency and setting up the operating cycle days. The study tests the relationship between the working capital attain and profitability calculated by income to current assets and income to average total assets. Authors did study with companies listed in BSE 200 that is spread over 19 industries for the period 2000 to 2010. At the end, the study lay emphasis on that proficient management of working capital notably affects profitability.

Madhavi K. (2016):-

She has done research based on empirical study of co relation among liquidity position an profitability of the paper mills in Andhra Pradesh. That has been evaluated ineffective working capital negatively effect on profitability of the paper mills.

Gurumurthy N. and Reddy Jayachandra K. (2014):-

He has conducted serve and observed working capital management position in four pharmaceutical companies APSPDCL, APEPDCL, APNPDCL and APCPDCL and come out with fact that working capital management was not so good in position and need to do better.

Dong (2013) reported that the firms' profitability and liquidity are affected by working capital management in his analysis. Pooled data are selected for carrying out the research for the era of 2007-2009 for assessing the companies listed in stock market of Vietnam. He focused on the variables that include profitability, conversion cycle and its related elements and the relationship that exists between them. From his research it was found that the relationships among these variables are strongly negative. This denote that decrease in the profitability occur due to increase in cash conversion cycle. It is also found that if the number of days of account receivable and inventories are diminished then the profitability will increase numbers of days of accounts receivable and inventories.

2.1 THEORETICAL REVIEW

CURRENT RATIO

Current ratio may be defined as the relationship between current assets and current liabilities. This ratio is also known as working capital ratio, is of general liquidity and most widely used to make the analysis of a short term financial position or liquidity of a firm. It is calculated by dividing the total of current assets to the total of current liabilities.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

QUICK RATIO

It is also known as acid test ratio. Liquid ratio is more liquidity than the current ratio. The term liquidity refers to the ability of a firm to pay its short term obligation when they become due. An asset is said to be liquid if it can be converted into cash within a short period without loss of value. Liquid ratio may be defined as the relationship between liquid assets and current liabilities.

$$\text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Current Liabilities}}$$

ABSOLUTE LIQUID RATIO

Some authors are of the opinion that the absolute liquid ratio should also be calculated together with current ratio and acid test ratio so as to exclude even receivables from the current assets and find out the absolute liquid assets.

$$\text{Absolute Liquid Ratio} = \frac{\text{Absolute Liquid Assets}}{\text{Current Liabilities}}$$

INVENTORY TURNOVER RATIO:

The inventory turnover ratio is the number of times a company sells and replaces stock during a set period, generally one year. While you shouldn't base decisions solely on this information, high turnover is usually ideal because it indicates that a company is doing a good job of managing its stock.

$$\text{Cost of goods sold} / \text{Average inventory} = \text{Inventory turnover ratio}$$

DEBTORS TURNOVER RATIO:

Debtors turnover ratio or accounts receivable turnover ratio indicates the velocity of debt collection of a firm. In simple words it indicates the number of times average debtors (receivable) are turned over during a year.

$$\text{Debtors Turnover Ratio} = \text{Net Credit Sales} / \text{Average trade debtors}$$

DEBTOR COLLECTION PERIOD:

The average time taken to collect trade debts. In other words, a reducing period of time is an indicator of increasing efficiency. It enables the enterprise to compare the real collection period with the granted/theoretical credit period.

$$\text{Debtors Collection Period} = \text{Average receivable} / \text{credit sales} \times 365$$

CREDITORS TURNOVER RATIO:

It is a ratio of net credit purchases to average trade creditors. Creditors turnover ratio is also known as payables turnover ratio. It is on the pattern of debtors turnover ratio. It indicates the speed with which the payments are made to the trade creditors.

$$\text{Creditors turnover ratio} = \text{credit purchases} / \text{Accounts Payable}$$

AVERAGE PAYMENT PERIOD:

Average payment period is the average amount of time it takes a company to pay off credit accounts payable

$$\text{Average payment period} = \text{average account period} / \text{Days in a period}$$

WORKING CAPITAL TURNOVER RATIO:

This computed by dividing the net sales by average working capital. It shows company's efficiency in generating sales revenue using total working capital available in the business during a particular period of time.

Working capital turnover ratio = Net sales /Average working capital
--

NET OPERATING RATIO:

The net operating cycle, also called the "cash conversion cycle," is the number of days it takes a company to generate revenues with assets.

Net Operating Cycle = Days Inventory Outstanding + Days Sales Outstanding + Days Payables
--

CHAPTER- III

3.1 RESEARCH METHODOLOGY

Introduction

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying new research is done systematically. In that various those are generally adopted by a research in studying his problem along with the logic behind them. The procedure by which researcher go about their work of explaining, describing and performing phenomenon are called methodology.

3.2 Types of research

This project “working capital management of GI Technologies (Gayathri cashew processing machine industry) is considering as the analytical research. Primary data and Secondary data

Primary data: Information was collected through this source comprises of discussions with the personnel of GI Technologies.

Secondary data: The secondary data has been collected from sources this magazine, journals, company annual reports and industrial magazines (annual reports).

3.3 SAMPLING DESIGN

Sampling unit : Financial Statements.
Sampling Size : Last five years financial statements.

3.4 TOOLS ARE USED

The following are major tools used in analysis and interpretation.

1. Ratio Analysis
2. Common size balance sheet statement
3. Comparative balance sheet statement

CHAPTER- IV

DATA ANALYSIS AND INTERPRETATION

Table 4.1.1 Current Ratio (Rs.cr)

Year	Current Assets	Current liabilities	Current Ratio
2015-2016	505.46	315.33	1.60
2016-2017	571.17	334.19	1.71
2017-2018	716.95	437.95	1.64
2018-2019	834.28	481.81	1.73
2019-2020	1,095.97	673.18	1.63

Source: Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1.1 shows that the current ratio seems to be fluctuating between the year 2016 to 2020. The current ratio is high in the year 2019 and decreased in 2016 due to increase in current liabilities.

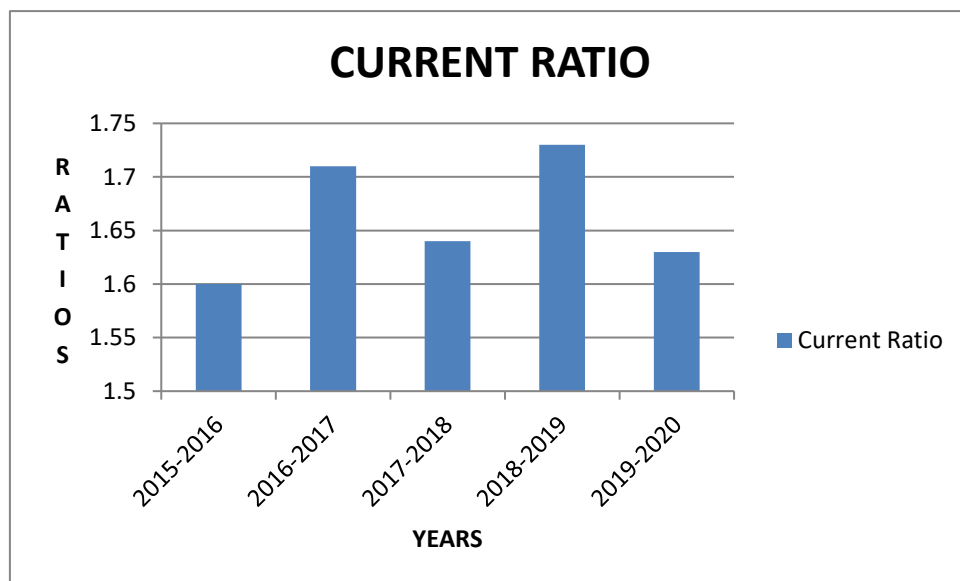


Chart no:4.1.1 Current Ratio

Table 4.1.2 Quick Ratio (Rs.cr)

Year	Quick Asset	Quick liabilities	Quick Ratio
2015-2016	276.57	315.33	0.88
2016-2017	330.54	334.19	0.99
2017-2018	421.41	437.95	0.96
2018-2019	479.84	481.81	1.00
2019-2020	699.67	673.18	1.04

Source :Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1..2 shows that the liquid ratio goes on increasing an reached a high mark of 1.04 in the year 2020,but the range is above the standard mark. Hence liquidity position is adequate.

chart no: 4.2 Quick Ratio

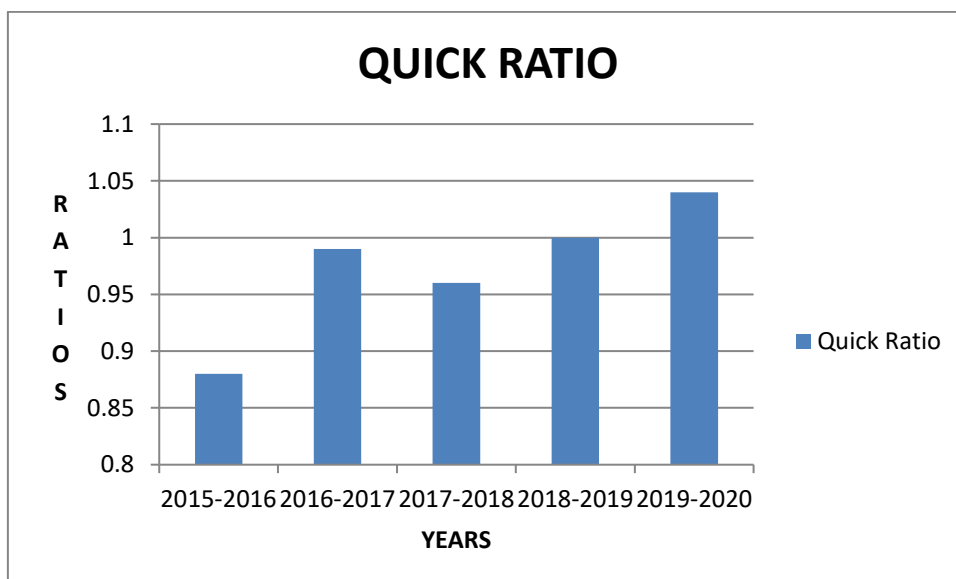
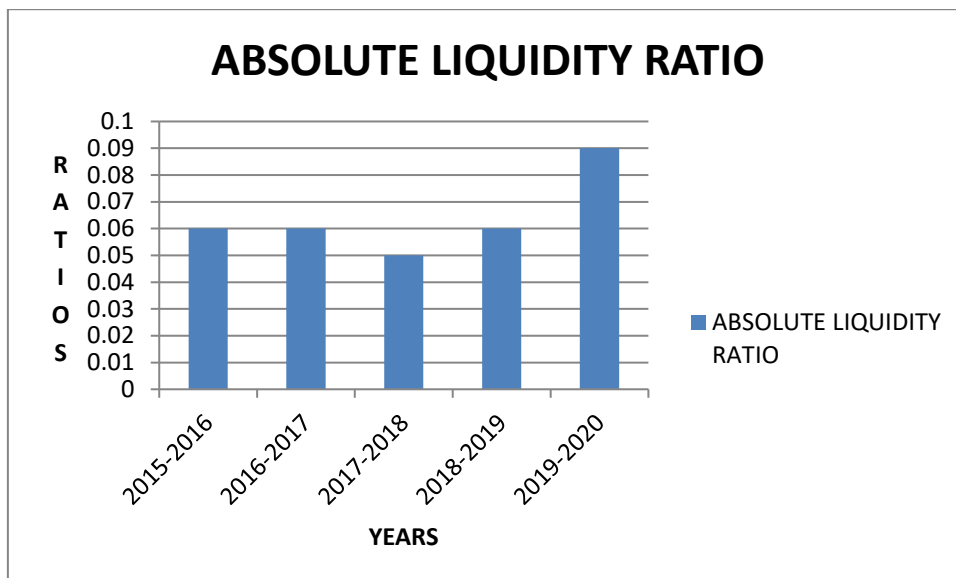


Table 4.1.3 Absolute Liquidity Ratio Analysis (Rs.cr)

Years	Cash & Bank Balance	Current liabilities	Absolute Liquidity Ratio
2015-2016	18.8	315.33	0.06
2016-2017	19.94	334.19	0.06
2017-2018	22.83	437.95	0.05
2018-2019	27.32	481.81	0.06
2019-2020	61.81	673.18	0.09

Sources :Company Annual Report 2015-2016 to 2019-2020

Chart no: 4.1.3 Absolute Liquid ratio



Interpretation

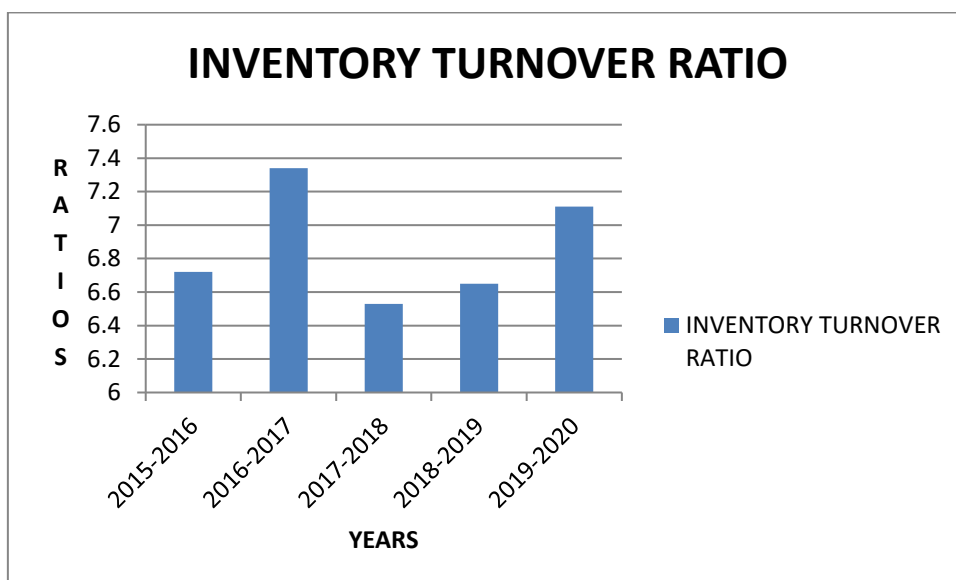
Table 4.1.3 shows the ratio goes on increasing and is always above the standard mark of 0.5 .Hence is clear that the liquidity position of the company is satisfactory.

Table 4.1.4 Inventory Turnover Ratio (Rs.cr)

Year	Net Sales	Closing inventory	Inventory Turn over ratio (Times)
2015-2016	1,537.19	228.89	6.72
2016-2017	1,765.78	240.63	7.34
2017-2018	1,930.59	295.54	6.53
2018-2019	2,356.19	354.44	6.65
2019-2020	2,816.32	396.3	7.11

Source: Company Annual Report 2015-2016 to 2019-2020

Chart no: 4.1.4 Inventory Turnover Ratio



Interpretation

Table 4.1.4 reveals that the company's sales has increased subsequently after a fall in the year 2019. The company has shown higher sales rate in 2018 followed by 2020.

Table 4.1.5 Inventory Holding Period (Rs.cr)

Year	Days in a Year	Inventory Turnover Ratio	Inventory Holding Period (Days)
2015-2016	365	6.72	54.30
2016-2017	365	7.34	49.74
2017-2018	365	6.53	55.88
2018-2019	365	6.65	54.91
2019-2020	365	7.11	51.36

Source: Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1.5 shows that the inventory holding period seems to be more fluctuating over the years. There was a decrease in 2016-2017 and increase in 2017-2018. And the company manage to decrease the inventory holding period by increasing the sales by converting the raw materials to finished goods in a short period of time.

Chart no: 4.1.5 inventory holding period

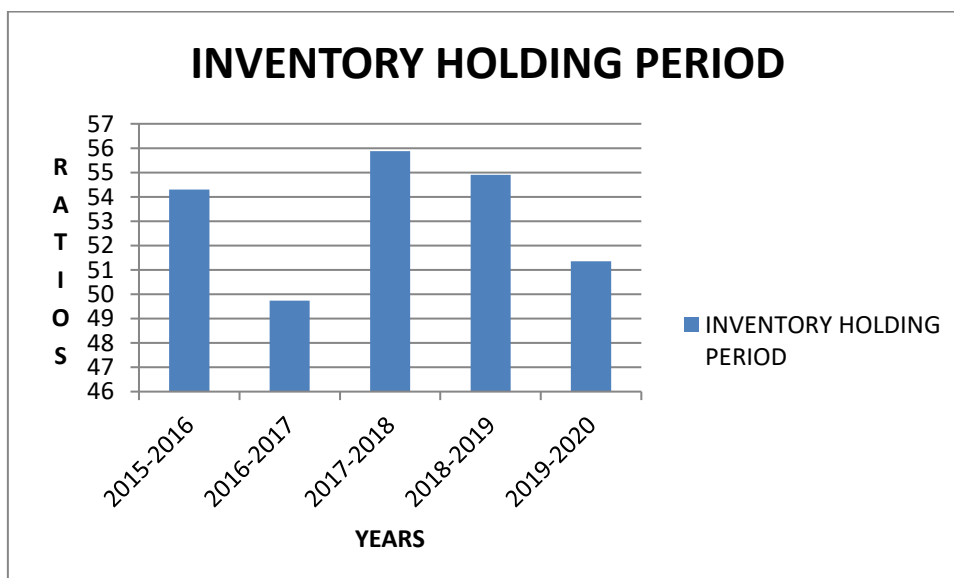


Table 4.1.6 Debtors Turnover Ratio (Rs.cr)

Year	Net Sales	Average Debtors	Debtors Turnover Ratio (Times)
2015-2016	1,537.19	205.55	7.48
2016-2017	1,765.78	106.26	16.62
2017-2018	1,930.59	115.03	16.78
2018-2019	2,356.19	135.95	17.33
2019-2020	2,816.32	156.36	18.01

Source :Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1.6 shows that the debtor turnover ratio has increased gradually over the years. Was 7.8 times in the year 2015-2016 and increased to 16.6 in the year 2016-2017. This shows that the company has managed to collect debt rapidly.

Chart no:4.1.6 debtors turnover ratio

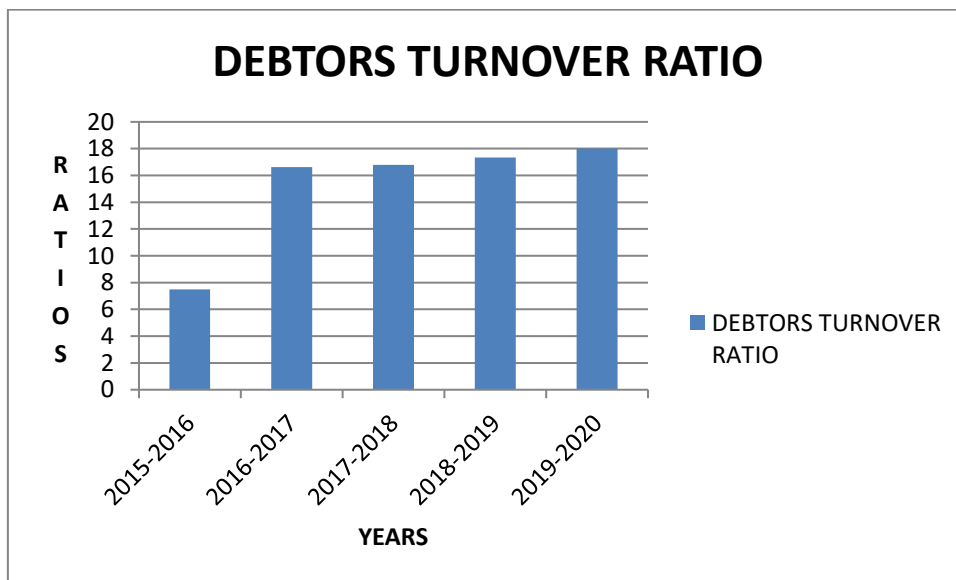


Table 4.1.7 Debtors Collection Period (Rs.cr)

Year	Days in a Year	Debtors Turnover Ratio	Debtors Collection Period(Days)
2015-2016	365	7.48	49
2016-2017	365	16.62	21.96
2017-2018	365	16.78	21.75
2018-2019	365	17.33	21.06
2019-2020	365	18.01	20.26

Source: Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1.7 shows that the company has managed to collect debt at an average of 21.6 days. And the days seem to be decreasing since 2017, which shows the quality of the company in collecting the debts.

Chart no: 4.1.7 debtors collection period

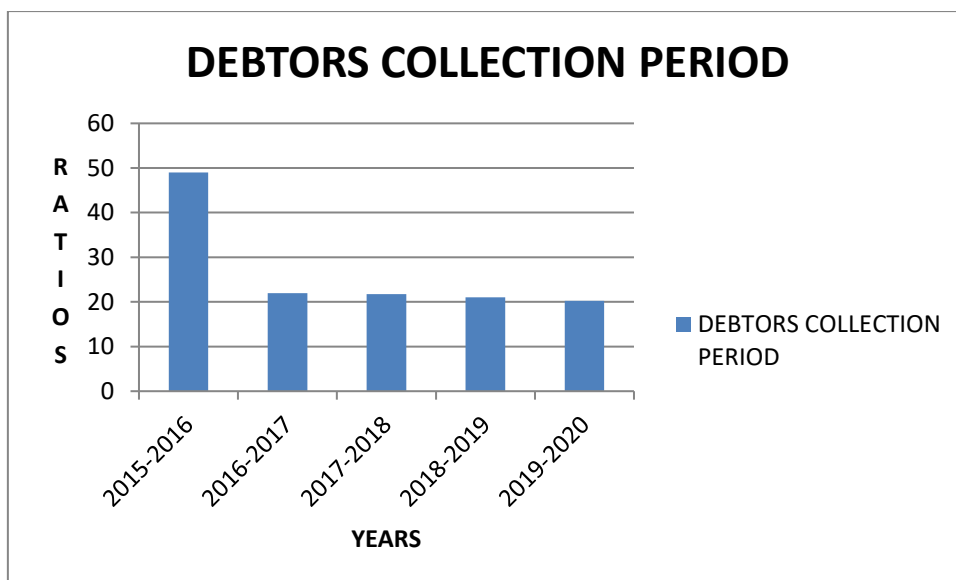


Table 4.1.8 Creditors Turnover Ratio (Rs.cr)

Year	Net Purchases	Average Creditors	Creditors Turnover Ratio (Times)
2015-2016	939.77	206.55	4.55
2016-2017	1,109.12	105.54	10.51
2017-2018	1,123.77	127.5	8.81
2018-2019	1,429.98	130.82	10.93
2019-2020	1,742.06	153.67	11.34

Source: Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1.8 shows how many times the company pays debt in a year. The number of times is very low in the year 2015-2016 and increased in 2016-2017 and a decrease in 2017-2018 and a good improvement after 2017-2018 and a high rate of 11.34 times in 2019-2020.

Chart no: 4.1.8 creditors turnover ratio

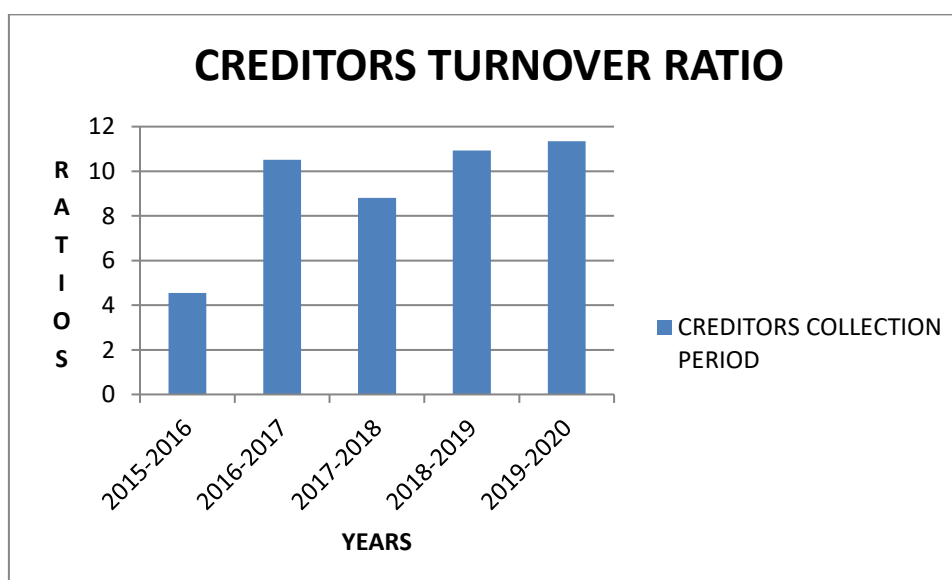


Table 4.1.9 Creditors Payment Period (Rs.cr)

Year	Days in a Year	Creditors Turnover Ratio	Average Payment Period(Days)
2015-2016	365	4.55	80.2
2016-2017	365	10.51	34.73
2017-2018	365	8.81	41.41
2018-2019	365	10.93	33.39
2019-2020	365	11.34	32.20

Source: Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1.9 shows the average payment period has decrease due to increase in number of time the debt is paid in a year . In 2015 was 80.2 days and reduced to 34.73 days and again increased to 41.41 days and was 33.39 days later in 2020 was 32.20 days which is a good improvement in settling the debt.

Chartno:4.1.9averagepaymentperiod

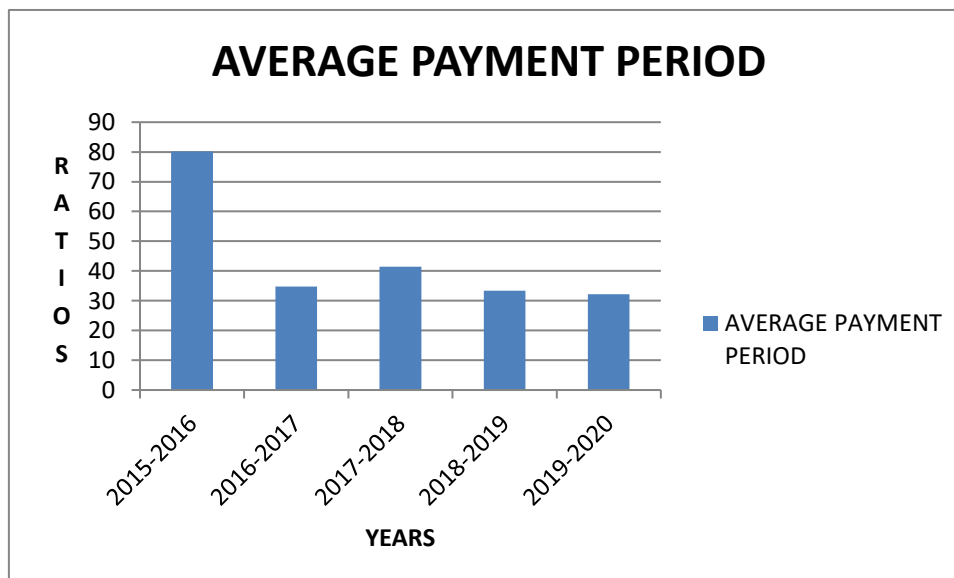


Table 4.1.10 Working Capital Turnover Ratio (Rs.cr)

Year	Net Sales	Net Working Capital	WCTR (Times)
2015-2016	1537.19	190.13	8.08
2016-2017	1765.78	236.98	7.45
2017-2018	1930.59	279	6.92
2018-2019	2356.19	352.47	6.68
2019-2020	2816.32	422.77	6.66

Source: Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1.10 shows how efficiently the company makes use of working capital. The ratio keeps decreasing since 2017. Was very high in 2015-2016 and decreases gradually but keeps maintaining at an average rate of 6.8 times and does not seem very low. Hence the company seems to be in a good condition.

Chart no: 4.1.10 working capital turnover ratio

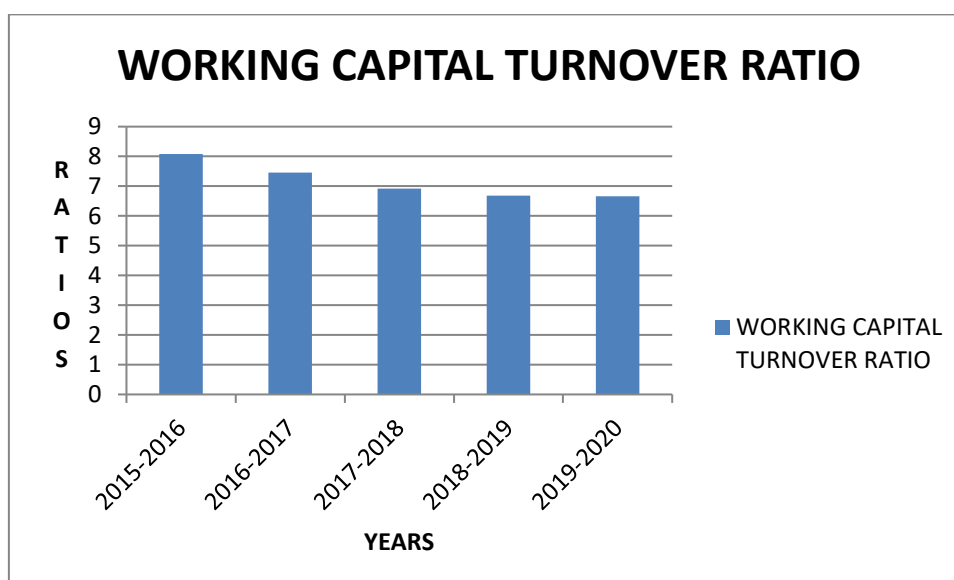


Table 4.1.11 Net operating Cycle (Rs.cr)

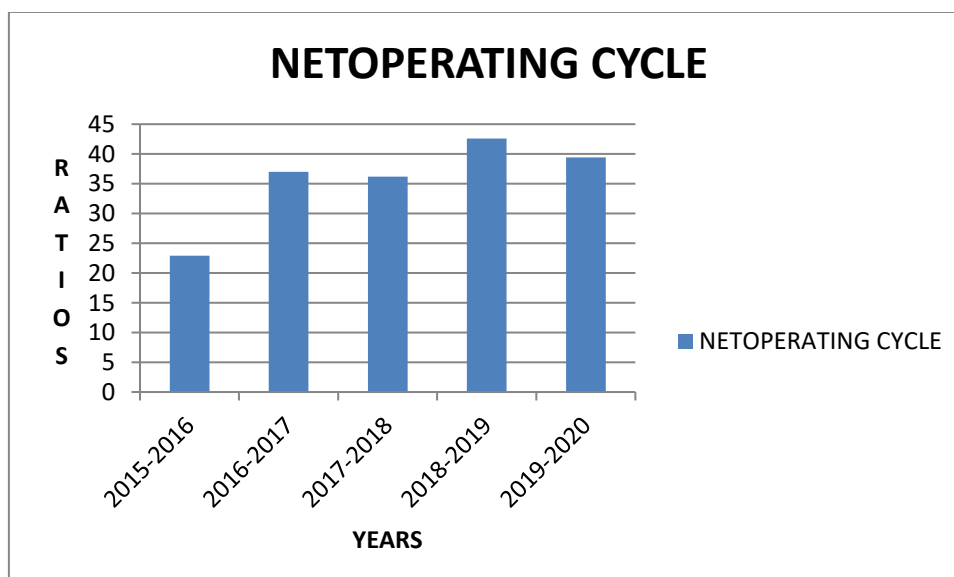
Particulars	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Inventory Holding Period	54.35	49.74	55.88	54.91	51.36
Debtors Collection Period	48.81	21.96	21.75	21.06	20.26
total	103.16	71.70	77.62	75.97	71.63
creditor payment period	80.22	34.73	41.41	33.39	32.20
net operating cycle (Days)	22.93	36.97	36.21	42.58	39.43

Source: Company Annual Report 2015-2016 to 2019-2020

Interpretation

Table 4.1.11 shows that the net operating cycle keeps fluctuating over the years. Shows the cash conversion period of the firm's maximum period is 42.58 days in the year 2019-2020 and again reduced to 39.43 days.

Chart no: 4.1.11 net operating ratio



4.1.12 Schedule of changes in working capital 2015-2016

Particulars	Ason31-3-2015	Ason31-3-2016	Increase	Decrease
CURRENTASSETS				
Inventories	228.89	240.63	11.74	----
Sundry debtors	205.75	228.76	23.01	----
Cash & Bank balance	18.8	19.94	1.14	----
Loans and Advances	52.48	80.09	27.61	----
Other current assets	0.04	1.75	1.71	----
(A)Total Current Assets	505.96	571.17		
CURRENT liabilities				
Sundry creditors	256.55	274.73	----	18.18
Provisions	58.78	59.46	----	0.68
(B)Total Current liabilities	315.33	334.19		
(A)-(B)Net Working Capital	190.63	236.98		
Increase in Working Capital	46.35	----	----	46.35
TOTAL	236.98	236.98	65.21	65.21

Inference

The net working capital has increased in the year 2015 from Rs.190.63 to Rs.236.98 due increase in current assets namely the inventory.

4.1.13 Schedule of changes in working capital 2016-2017

Particulars	Ason31-3-2016	Ason31-3-2017	Increase	Decrease
CURRENTASSETS				
Inventories	240.63	295.54	54.91	----
Sundry debtors	228.76	241.3	12.54	----
Cash & Bank balance	19.94	22.83	2.89	----
Loans and Advances	80.09	98.99	18.9	----
Other current assets	1.75	58.29	56.54	----
(A)Total Current Assets	571.17	716.95		----
CURRENT liabilities				
Sundry creditors	274.73	340.27	----	65.54
Provisions	59.46	97.68	----	38.22
(B)Total Current liabilities	334.19	437.95		
(A)-(B)Net Working Capital	236.98	279		
Increase in Working Capital	42.02	-----	-----	42.02
TOTAL	279	279	145.78	145.78

Inference

The chart 4.1.13 shows that the net working capital has increased in the year 2017 when compared to the previous year due to high level of inventory.

4.1.14 Schedule of changes in working capital 2017-2018

Particulars	Ason31-3-2017	Ason31-3-2018	Increase	Decrease
CURRENTASSETS				
Inventories	295.54	354.44	58.9	----
Sundry debtors	241.3	286.59	45.29	----
Cash &Bank balance	22.83	27.32	4.49	----
Loans & Advances	98.99	100.04	1.05	----
Other current assets	58.29	65.89	7.6	----
(A)Total Current Assets	716.95	834.28		
CURRENT liabilities				
Sundry creditors	340.27	363.39	----	23.12
Provisions	97.68	118.42	----	20.74
(B)Total Current liabilities	437.95	481.81		
(A)-(B)Net Working Capital	279	352.47		
Increase in Working Capital	73.47	----	----	73.47
TOTAL	352.47	352.47	117.33	117.33

Inference

Chart 4.1.14 shows that there is a slight increase in networking capital in the year 2017.This is due to increase current liable especially the provisions.

4.1.15 Schedule of changes in working capital 2018-2019

Particulars	As on 31-3-2018	As on 31-3-2019	Increases	Decrease
CURRENT ASSETS				
Inventories	354.44	396.3	41.86	----
Sundry debtors	286.59	326.12	39.53	----
Cash & Bank balance	27.32	61.81	34.49	----
Other current assets	65.89	195.97	130.08	----
Loans and Advances	100.04	115.77	15.73	----
(A) Total Current Assets	834.28	1095.97		
CURRENT liabilities				
Sundry creditors	363.39	533.95	----	170.56
Provisions	118.42	139.25	----	20.81
(B) Total Current liabilities	481.81	673.2		
(A)-(B) Net Working Capital	352.47	422.77		
Increase in Working Capital	70.32	----	----	70.32
TOTAL	422.79	422.79	261.69	261.69

Interpretation

Chart 4.1.15 shows that there is an increase of networking capital in the year 2019 because of increase in current asset and decrease in current liabilities

4.1.16 Schedule of changes in working capital 2019-2020

Particulars	As on 31-3-2019	As on 31-3-2020	Increases	Decrease
CURRENT ASSETS				
Inventories	134.44	456.3	41.86	----
Sundry debtors	237.59	126.12	39.53	----
Cash & Bank balance	25.32	61.81	34.49	----
Other current assets	57.89	190.97	130.08	----
Loans and Advances	100.04	120.77	15.73	----
(A) Total Current Assets	555.28	955.97		
CURRENT liabilities				
Sundry creditors	363.39	533.95	----	170.56
Provisions	118.42	139.25	----	20.81
(B) Total Current liabilities	481.81	673.2		
(A)-(B) Net Working Capital	352.47	422.77		
Increase in Working Capital	70.32	----	----	70.32
TOTAL	422.79	422.79	261.69	261.69

Interpretation

Chart 4.1.16 shows that there is an increase of networking capital in the year 2020 because of increase in current asset and decrease in current liabilities

TREND ANALYSIS

Trend analysis has a great advantage that it can also be used to predict the future events. This is possible by forecasting the future cash flow based on the data available of the past. With the help of trend analysis, you can predict the future and track the variances to add performance. $Y=a +b(x)$

TREND ANALYSIS –WORKING CAPITAL

4.2.1 TREND ANALAYSIS OF NET WORKING CAPITAL (Rs.cr)

Year	Net Working Capital	x	x ²	xy	Y=a+b(x)
2015-2016	190.13	-2	4	-380.26	180.116
2016-2017	236.98	-1	1	-236.98	238.193
2017-2018	279	0	0	0	296.27
2018-2019	352.47	1	1	352.47	354.347
2019-2020	422.77	2	4	845.54	412.424
	Σ y = 1481.35		Σ x²=10	580.77	180.116

$$Y=a +b (x)$$

$$a = \Sigma y /n$$

$$b= \Sigma xy / \Sigma x^2$$

$$a= 296.27$$

$$b= 58.077$$

For: 2019-2020

Let us assume $x=3$

$$Y = a + b(x)$$

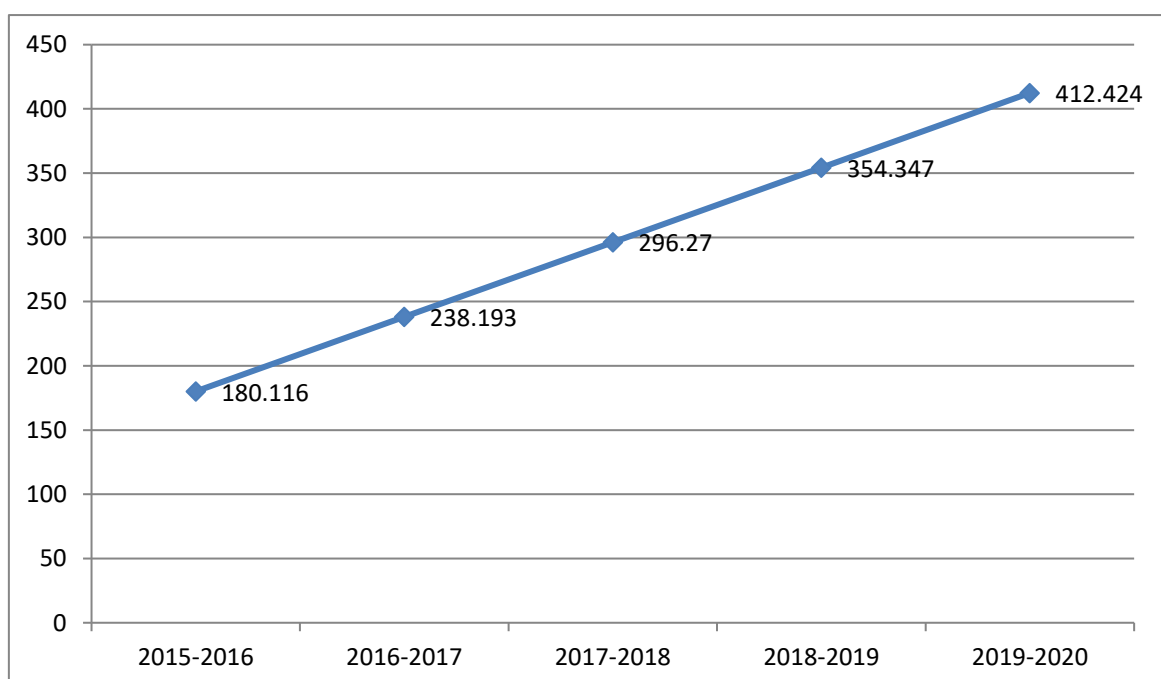
$$Y = 296.27 + 58.077 \times 3$$

$$Y = 470.501$$

INTERPRETATION

The Networking capital is increasing at an increasing rate for the all the five years. The company has the highest Net WC on 2019 with 412.424. The trend is found to be increasing rate this is due to the gradual decrease of expenses for the first 3 years. While analyzing the trend for the year 2020 the trend was found to be in increasing rate to 470.501

NET WORKING CAPITAL



4.2.2 TREND ANALYSIS –NET SALES (Rs.cr)

Year	Net Sales	x	X ²	xy	Y=a+b(x)
2015-2016	1,537.19	-2	4	-3074.38	1451.48
2016-2017	1,765.78	-1	1	-1765.78	1766.347
2017-2018	1,930.59	0	0	0	2081.214
2018-2019	2,356.19	1	1	2356.19	2396.081
2019-2020	2,816.32	2	4	5632.64	2710.948
	Σ=10406.07	0	10	3148.67	10406.07

$$Y=a +b (x)$$

$$a =\Sigma y /n$$

$$b= \Sigma xy / \Sigma x^2$$

$$a= 2081.214$$

$$b= 314.867$$

For: 2019-2020

Let us assume x=3

$$Y=a + b(x)$$

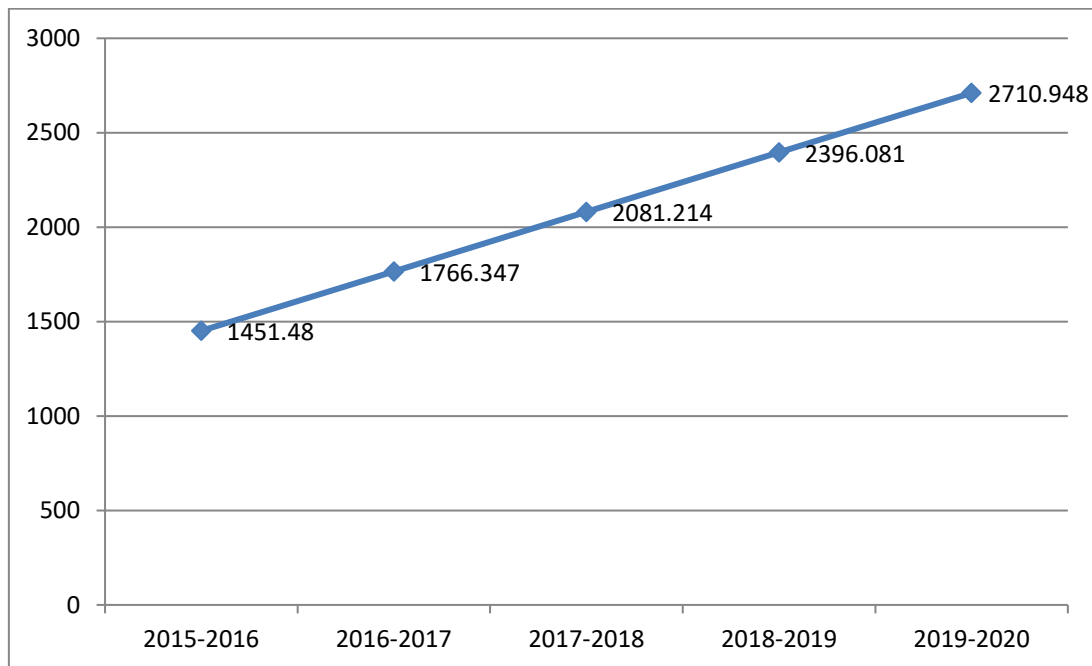
$$Y= 2081.214+314.867*3$$

$$Y= 3025.815$$

INTERPRETATION

The Net Sales is increasing at an increasing rate for the all the five years. The company has the highest Net sales on 2019 with 412.424. The trend is found to be increasing rate this is due to the gradual decrease of expenses for the first 3 years. While analyzing the trend for the year 2020 the trend was found to be in increasing rate to 470.501

NET SALES



4.2.3 TREND ANALYSIS –CURRENT ASSETS (Rs.cr)

Year	Current Assets	x	X ²	xy	Y=a+b(x)
2015-2016	505.46	-2	4	-1010.92	455.94
2016-2017	571.17	-1	1	-571.17	600.353
2017-2018	716.95	0	0	0	744.766
2018-2019	834.28	1	1	834.28	889.179
2019-2020	1,095.97	2	4	2191.94	1033.592
Σ	3723.83	0	10	1444.13	3723.83

$$Y=a +b (x)$$

$$a =\Sigma y /n$$

$$b= \Sigma xy / \Sigma x^2$$

$$a= 744.766$$

$$b= 144.413$$

For: 2019-2020

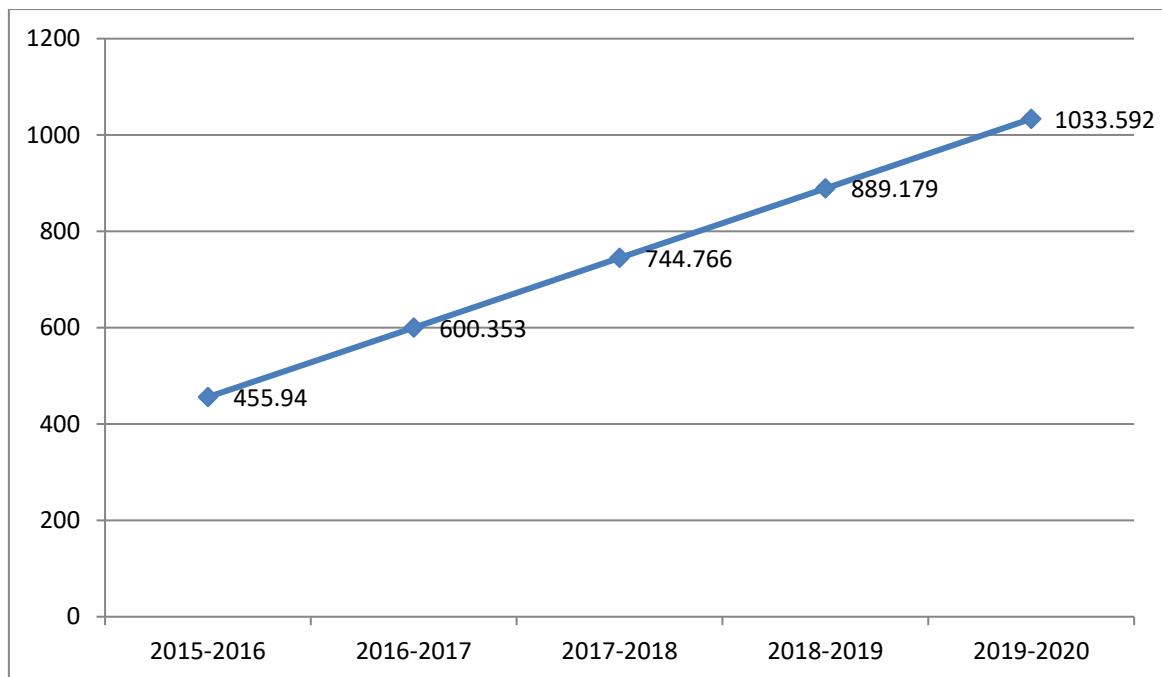
Let us assume x=3

$$Y=a + b(x)$$

$$Y= 744.766+144.413*3$$

$$Y= 1178.005$$

CURRENT ASSETS



INTERPRETATION

The Current assets is increasing at an increasing rate for the all the five years. The company has the highest current assets on 2019 with 412.424. The trend is found to be increasing rate this is due to the gradual decrease of expenses for the first 3 years. While analyzing the trend for the year 2020 the trend was found to be in increasing rate to 470.501

4.2.4 TREND ANALYSIS –CURRENT LIABILITIES (Rs.cr)

Year	Current liabilities	x	X ²	xy	Y=a+b(x)
2015-2016	315.33	-2	4	-630.66	275.828
2016-2017	334.19	-1	1	-334.19	362.16
2017-2018	437.95	0	0	0	448.492
2018-2019	481.81	1	1	481.81	534.824
2019-2020	673.18	2	4	1346.36	621.156
	2242.46	0	10	863.32	2242.46

$$Y=a +b (x)$$

$$a =\Sigma y /n$$

$$b= \Sigma xy / \Sigma x^2$$

$$a= 448.492$$

$$b= 86.332$$

For: 2019-2020

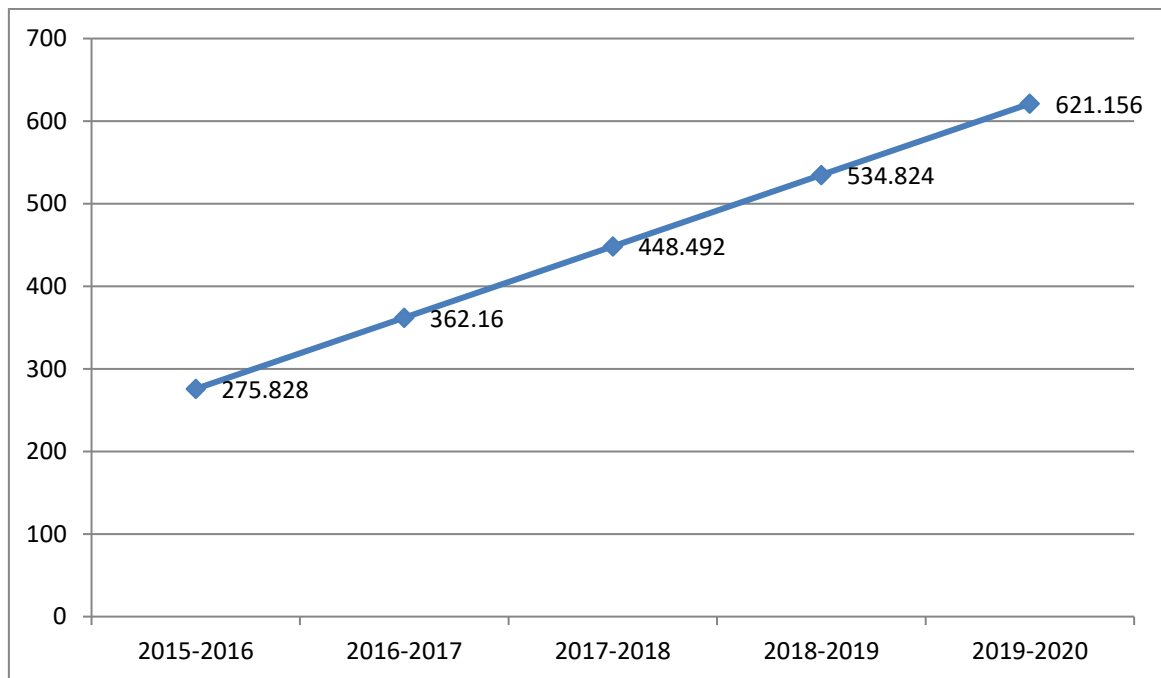
Let us assume x=3

$$Y=a + b(x)$$

$$Y= 448.492+86.332*3$$

$$Y= 707.488$$

CURRENT LIABILITIES



INTERPRETATION

The Networking capital is increasing at an increasing rate for the all the five years. The company has the highest Net WC on 2019 with 412.424. The trend is found to be increasing rate this is due to the gradual decrease of expenses for the first 3 years. While analyzing the trend for the year 2020 the trend was found to be in increasing rate to 470.501.

CHAPTER- 5

5.1FINDINGS:

- Working capital of the GI Technologies Industries pvt Ltd was increasing and showing positive working capital per year.
- The GI Technologies industries pvt Ltd maintains sufficient amount of current assets.
- Inventory turnover ratio is very low in the year 2015-2016. In the year 2016-2017 has increased by 7.34 times as compared to 2015-2016 and has again increased to 7.11 times in 2018-2019.
- Debtor's turnover ratio is very low in the year 2015-2016. In the year 2016-2017 has increase by 9.14 times as compared to 2015-2016 and keep increasing in the last year 2017-2018 up to 18.01 times
- Creditor's turnover ratio is very low in the years of 2015-2016.And has increased to 10.51 times in the year 2016-2017.And was 11.34 times in the year 2019-2020.
- Working capital turnover ratio is very high in the year 2015-2016. In the year 2016-2017 reduced to 7.45 times and in the last year 2017-2018 was 6.66 times. They have managed to maintain the ratio at an average rate of 6.8 times.
- The working capital keeps increasing over the years from 2016 to 2020.
- The operating cycle shows that the average cash conversion period of the firm is 35 days.

5.2 SUGGESTION

- Working capital of the company has increasing every year. Profit also increasing every year this is good sign for the company. has to maintain further, to run the business long term.
- The company has sufficient working capital and has better liquidity position. By efficient utilizing this short-term capital, then should increase the turnover.
- The company can maintain the proportion of current assets and current liability which helps to improve better working capital management.
- The company should take precautionary measures for investing and collecting funds from receivables and to reduce the bad debts.
- The net operating cycle seems to be stabilizing after 2015-2016. So the company is maintaining a good operating cycle period.
- The company may be use a just-in-time approach in managing raw material which makes cash available for other operations.

5.3 CONCLUSION

The financial status of GI Technologies Industries Ltd is good. In the last year the inventory turnover has increased, this is good sign for the company. The company's liquidity position is good. With regards to the investments in current assets there are adequate funds invested in . Care should be taken by the company not to make further investments in current assets, as would block the funds, which could otherwise be effectively utilized for some productive purpose. On the whole, the company is moving forward with excellent management

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APPENDIX

COMPARTATIVE BALANCE SHEET (Rs.cr)

Particulars	As on 31-3-2016	As on 31-3-2017	As on 31-3-2018	As on 31-3-2019	As on 31-3-2020
CURRENT ASSETS					
Inventories	228.89	240.63	354.44	354.44	396.3
Sundry debtors	205.75	228.76	286.59	286.59	326.12
Cash & Bank balance	18.8	19.94	27.32	27.32	61.81
Loans and Advances	52.48	80.09	100.04	65.89	195.97
Other current assets	0.04	1.75	65.89	100.04	115.77
(A)Total Current Assets	505.96	571.17	834.28	834.28	1095.97
CURRENT liabilities					
Sundry creditors	256.55	274.73	363.39	363.39	533.95
Provisions	58.78	59.46	118.42	118.42	139.25
(B)Total Current liabilities	315.33	334.19	481.81	481.81	673.2
(A)-(B) Net Working Capital	190.63	236.98	352.47	352.47	422.77
Increase in Working Capital	46.35	----	----	70.32	----
TOTAL	236.98	236.98	352.47	422.79	422.79

