

PROJECT REPORT ON (17MBAPR407)

**A STUDY ON ANALYSIS OF FUND MANAGEMENT AT
KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED,
BENGALURU**

BY

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Submitted to
**VISVESVARAYA TECHNOLOGICAL UNIVERSITY
BELAGAVI**



*In partial fulfillment of the requirements for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION
Under the guidance of*

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ಕರ್ನಾಟಕ ನವೀಕರಿಸಬಹುದಾದ ಇಂಧನ ಅಭಿವೃದ್ಧಿ ನಿಯಮಿತ
KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED
(Government of Karnataka Undertaking)

KRED.02.PWS.594.2018

Date: 18-02-2019

CERTIFICATE

This is to certify that the project work titled **“A Study on Analysis of Fund Management at KREDL”** has been successfully completed by **Ms. Mili. P. Mathpal, Reg No: 1AY17MBA28**, Student of Acharya Institute of Technology, Bangalore, during the period, 03rd January 2019 to February 16th 2019 and the report is submitted in partial fulfilment for the award of Masters Degree in Business Administration (MBA).

She has exhibited punctuality and diligence during the training period.

Chief Controller of Finance
KARNATAKA RENEWABLE ENERGY
DEVELOPMENT LIMITED
BANGALORE





ACHARYA INSTITUTE OF TECHNOLOGY

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

Date: 04/04/2019

CERTIFICATE

This is to certify that **Ms. Mili Priyadarshni Mathpal** bearing USN **1AY17MBA28** is a bonafide student of Master of Business Administration course of the Institute 2017-19 batch affiliated to Visvesvaraya Technological University, Belagavi. Project report on “**A Study on Analysis of Fund Management at Karnataka Renewable Energy Development Ltd, Bengaluru**” is prepared by her under the guidance of **Prof. M Sendhil Kumar**, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

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Dr. Devarajaiah R.M.
Dean-Academics
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Bengaluru-107.

DECLARATION

I, **Mili Priyadarshni Mathpal**, hereby declare that the Project report entitled “A Study on Fund Management” with reference to “KREDL Ltd. Bengaluru” prepared by me under the guidance of Prof. **M Sendhil Kumar** faculty of M.B.A Department, AIT and external assistance by **M S Rajanna, Asst. Manager at KREDL**. I also declare that this Project work is towards the partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone a summer project for a period of 6 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 / Institution.

Place: Bengaluru

Date:08/04/2019



Signature of the student

ACKNOWLEDGEMENT

I wish to express my sincere thanks to our Principal, **Dr. Prakash M R**, beloved Dean-Academics, **Dr. Devarajaiah R M**, and deep sense of gratitude to **Dr.M M Bagali**, HOD, Acharya Institute of Technology, Bengaluru for their kind support and encouragement in completion of the Internship Report.

I would like to thank **Prof. M Sendhil Kumar**, Asst. Professor, Department of MBA, Acharya Institute of Technology, Bengaluru and external guide **Mr. M S Rajanna, Asst. Manager at KREDL** Bengaluru, who gave me golden opportunity to do this wonderful Project in the esteemed organization, which helped me to learn various concepts.

Finally, I express my sincere thanks to my Parents, Friends and all the Staff of MBA department of AIT for their valuable suggestions in completing this Project Report.

Place: Bengaluru

Date:08/04/2019

Mili Priyadarshni Mathpal

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TABLE OF CONTENTS

CHAPTER	TITLE	PAGE NO.
	Executive Summary	1
Chapter-1	INTRODUCTION	2
	1.1 Introduction about Project	3
	1.2 Industry Profile	4-6
	1.3 Company Profile	6-10
	1.4 Products and Services	10-11
	1.5 Areas of Operation	11
	1.6 Competitors Information	11
	1.7 SWOT Analysis	12
	1.8 Financial Statement	13-18
Chapter-2	2.1 Theoretical Background of Study	19-30
	2.2 Literature Review	31-35
Chapter-3	3.1 Statement of Research Problem	37
	3.2 Need for study	37
	3.3 Objective of study	37
	3.4 Scope of study	37
	3.5 Research Methodology	38
	3.6 Statistical Tools	38
	3.7 Limitation	38
Chapter-4	Data Analysis and Interpretation	41-64
Chapter-5	5.1 Findings	66
	5.2 Suggestion	67
	5.3 Conclusion	68
	Bibliography	68
	Annexure	70-73

LIST OF TABLES

Table No	Titles	Page No.
4.1	Table showing Share Capital	45
4.2	Table showing Reserve and Surplus	47
4.3	Table showing Fixed Asset	48
4.4	Table showing Current Asset	50
4.5	Table showing Current Liabilities	52
4.6	Table showing Provisions	54
4.7	Table showing Secured Loan	56
4.8	Table showing Fund from Operation	59
4.9	Table showing Total Asset to Shareholders Fund	60
4.10	Table showing Net Profit	63

TABLE SHOWING GRAPH

Table No	Titles	Page No.
4.1	Graph showing Share Capital	46
4.2	Graph showing Reserve and Surplus	47
4.3	Graph showing Fixed Asset	49
4.4	Graph showing Current Asset	51
4.5	Graph showing Current Liabilities	52
4.6	Graph showing Provisions	55
4.7	Graph showing Secured Loan	57
4.8	Graph showing Fund from Operation	60
4.9	Graph showing Total Asset to Shareholders Fund	62
4.10	Graph showing Net Profit	64

EXECUTIVE SUMMARY

The MBA course offered by the VTU University, Belgaum has its very own remarkable prospectus which requires the understudy to search out a venture in corporate world with driving business house for a time of about a month and a half amid (6 weeks) their fourth semester for increasing reasonable information of how does the organization and its capacity work in industry.

KREDL is was shaped on 18 march 1996 for the development and improvement of non-regular vitality sources. It is controlled under organization demonstration 1956. It was brought into the state for promotion of the renewable energy and its venture advancement in Karnataka.

This study is conducted to analyze the Fund Flow Management of the company which help us to identify how the company is using their fund for the development of the organization and how the company is generating the source of fund and also help to determine the financial status and financial strength of the company.

Hands on knowledge provides students with the insight of the company and what they will be experience in a few years from now. Learning out of the classroom give them a real knowledge of the industry environment which will help in long run to the student of management.

CHAPTER-1
INTRODUCTION

1.1 Introduction

Introduction of the project is an important part of the educational set of courses of VTU MBA. Project works as an activity to tackle any barrier among information and its implementation through a progress of contribution which will provide VTU MBA student a stage to understand and experience to the company.

Project is the program where an individual can come out of the theoretical knowledge and understand the real working environment. It provides information about the operation of the organization. It prepares me to understand the real management styles after getting real interaction to the real working environment. The assignment program also enhanced to be successful to me on overall preparation of the career development.

The project was for the period of 6 weeks which was all about the study of an organization. This project work was facilitated by the KREDL Ltd Provides me a way to learn from internship. The KREDL Ltd helped me in providing sufficient information about the organization. The report has been prepared based on the observations, collective knowledge and an intern during the period of project.

1.2 Industry profile

Renewable Energies: -

The wind, sun, and biomass are three Renewable Energy Sources. Sustainable power source can be defining as source that come from strong suite which are usually revived on a nature time space, for example, light, air, rain, tides, waves and natural warmth. Long last power house exists over enormous land place, another than other vast sources, that are amassed in a fixed amount of topographical zones. Speedy fixing of eternal power house and wide effectiveness is coming about crucial huge security, environmental change moderation, and fiscal advantages. In universal general supposition overviews there is enormous help for advancing sustainable sources, for example, sun oriented power and wind control. While numerous sustainable power source ventures are chipping away at extensive scale, inexhaustible advances are additionally fit to provincial and remote regions and creating nations, where Energy is regularly essential in human improvement. Joined Nations' Secretary-General has said that sustainable power source can lift the most unfortunate countries higher than ever of success.

Sustainable power source is separate from common procedures that are energized continually. In its different structures, it can get legitimately from the sun, or from warmth created profound inside the earth. Incorporated into the definition is power and warmth created from sunlight based, wind, sea, hydropower, biomass, geothermal assets, and bio fills and hydrogen got from inexhaustible assets.

As of December 2017, presented energy age point of confinement of 185.5 Giga Watts(GW), of which warm power contributed 65.87%, hydroelectricity 20.75%, diverse wellsprings of manageable power source 10.80%, and nuclear power 2.56%. India meets most of its private essentialness demand through its 106 billion tons of coal spares. India is in like manner affluent of reasonable essentialness with important future capacity, like sun controlled, wind and bio-powers. India's huge thorium holds – about 25% of world's stores – are required to fuel the country's driven nuclear imperativeness program as time goes on. India's winding down uranium spares stagnated the improvement of nuclear imperativeness in the country for quite a while. In any case, the Indo-US nuclear game plan has made prepared for India to import uranium from various countries.

The Indian Energy generation is considering in greatest and necessary businesses in country generally it satisfies the vitality needs from different enterprises. They are standout amongst various basic parts of framework which influences monetary development, prosperity of our country.

Our country is world's fifth biggest power limit and it is the sixth biggest vitality purchaser representing 3.4% of worldwide vitality utilization. Because of the speedy development of economy, the nation's vitality need developed in a normal 3.6 percent per annum. As per most recent Report of CEA (Central Electricity Authority) for example as on 31-03-2018, the Total power generation capacity is 173626.40 MW. Over 75% of the introduced limit is open area (state and focal), the state part having the greatest offer of 48%.

Thermal power: -

In India, real extent of intensity is created from place in which principle crude substance utilized is coal. Usually 83% of warm energy is created utilizing coal as a crude substance while 16% of warm energy is made by assistance of Gas and 1% of the energy is produced with the use of Oil.

Hydro Power: -

It is electrical power which is created by the vitality of falling water. Our country control age potential worth of 1, 50,000 MW, but just 25 % is controlled and utilized till now.

Atomic Power: -

In this energy or we can say power is generated by the atomic reactors. An atomic reactor is an instrument to start and control a supported atomic chain response. In this process the energy is created by creating the heat and then deliver of power take place.

Renewable power: –

It is the power which we get from the natural resource which are present in our environment and can get from the various source. It is the sustainable source of energy and can possibly add improvement in power producing capabilities of India

1.3 Company Profile

KREDL was shaped on eighth March 1996 as a nodal office for develop and improvement of non-regular vitality sources. It is enrolled under the organizations' demonstration 1956.

Preceding the making of **KREDL**, the **KSCST** the past Karnataka Electricity Board (**KEB**) and **KPCL** were caring for this area as a backup capacity to their fundamental course movement.

Be that as it may, every one of the above offices had their very own prime or first concern and confinements or control. While **KSCST** had inquired about situated, the **KEB's** need was the board of intensity transmission and appropriation. **KPCL** was associated with development of vast power extends and couldn't concentrate enough on little power extends in the non-ordinary vitality segment. From now on advancement of sustainable power source extends as an enhancement to ordinary power age to vitality where in Karnataka. This influence them to build different office hand holding undertaking of help to sustainable power source venture advancement. Along these lines, was brought into the world for Promotion of Renewable Energy and Renewable Energy ventures advancement in Karnataka.

NATURE OF BUSINESS CARRIED

KREDL takes great chance to generate Renewable Energy power in Karnataka (As more power to remote areas). Today Karnataka has huge potential of renewable energy sources of more than 13000 megawatts primarily in the sectors of wind, small hydro, cogeneration and biomass. During 10th five-year plan near about 1450 megawatt of renewable energy power has been added to the state grid.

KREDL is planned about 1500 megawatt (MW) of renewable energy power during the 11th five-year plan.

To develop energy **MINISTRY OF NEW AND RENEWABLE ENERGY (MNRE)** project to meet the challenges of the increasing energy supply and demand in Karnataka.

Except KSCST, KEB, KPCL AND MNRE other agencies joining hands to give additional power to Karnataka includes IREDA, KERC and KPTCL, along with departments of Government of Karnataka such as Irrigation, Finance, Revenue, Forest and Environment. PSU's like BESCOM, MESCOM, HESCOM, GESCOM.

Others in this line are Karnataka Solar Manufactures and consultants, wind Biomass and co-generation developers and consultants etc.

A dedicated of above professionals shares the vision of KREDL with technocrats, administrators and supporting staff connect hands to give more power to Karnataka.

1.3.1 PROMOTERS:

BOARD OF DIRECTORS OF KREDL

SL. NO	NAME OF THE DIRECTOR	
1	Dr. AMITA PRASAD, IAS, Chairperson, KREDL and principal secretary, govt. of Karnataka energy development vikasa souda, Bengaluru.	Chairman
2	Sri G.V. BALARAM, KREDL No.39,shaanthy gruda road scouts bhara and guides Bengaluru-1	Director
3	Sri G. KUMAR NAIK, IAS., KPTC ltd. Cauvery bhavan, Bengaluru.	Director
4	Sri M.R KAMBLE, IAS MD, KPCL, No.82, shakthi bhavan,	Director

	Race course road, Bengaluru.	
5	Sri PANKAJ KUMAR PANDEY, IAS Managing director, BESCOM, K.R.circle, Bengaluru	Director
6	Sri RAMACHANDRA, IFS, Secretary to govt of Karnataka, Ecology environment and forest department, M.S. building, Bengaluru.	Director
7	Sri B.G GURUPADA SWAMY Secretary to govt, water resources department, Vikasa soudha, Bengaluru	Director
8	Dr. ADITI RAJA, IA & AS Director (finance), KPTCL, Cauvery bhavan, Bengaluru	Director
9	Sri NAVEEN RAJU Managing director, PCKL, fifth floor, Cauvery bhavan, Bengaluru	Director
10	Sri K.UMA SHANKAR, Executive engineer, ESCPMs monitoring cell energy Department, vikasa soudha, Bengaluru.	Director

1.3.2 VISION, MISSION, QUALITY POLICY

1. VISION:

To control and utilize pure and natural Renewable vitality for the earth advantage, vitality protection. to start vitality effective actions in all part for supportable development.

2. MISSION:

1. To advance the commitment of eco-accommodating Renewable Energy sources, to the financial improvement and supplement rustic vitality need through the fast and speedy authorizing of manageable Renewable activities

2. To make condition conducive to private, open, network cooperation and interest in Renewable Energy control ventures

3. To accomplish business feasibility and quickly operationalize the Energy ventures

4. To upgrade the commitment of Renewable Energy in the all-out introduced limit of the state from 5000 MW to around 7600 MW by 2020.

5. To ration 9901 MU by 2020 through the Energy Efficiency and Energy Conservation measures in all divisions.

3. QUALITY POLICY:

KREDL is extremely committed to total quality and constantly working for providing huge amount of renewable energy and meets customer needs and expectation all time.

1.3.3 PRODUCT PROFILE

1. Wind energy



2. Bio mass and co-generation energy



3. Solar power energy



1.3.4 AREA OF OPERATION

KREDL operate their function all over Karnataka.

1.3.5 INFRASTRUCTURE FACILITIES

- Employees are given priority towards health care
- Rest room and washroom are provided
- Safety precaution are instructed and to be followed
- Quality drinking water is provided
- Free Wi-Fi facility is provided

1.3.6 COMPETITORS INFORMATION

It is the state government intervention of Ministry of Renewable energy and the Government of Karnataka; it aims to ensure that the state leads the country in the development renewable energy and insure that, there exists a healthy competition among its counterpart nodal agencies of other states which are as the following:

- Arunachal Pradesh energy growth agency.
- Assam energy expansion agency.
- Bihar renewable energy growth agency.
- Chhattisgarh state renewable energy growth agency.
- Gujarat energy expansion agency.
- Goa energy enlargement agency.
- Haryana renewable energy expansion agency.
- Jammu and Kashmir energy growth agency.
- Jharkhand renewable energy expansion agency.
- Kerala non-conventional energy agency and rural technology.
- Maharashtra energy enlargement agency.

1.4 SWOT ANALYSIS

SWOT analysis is a tool that identifies the strength, weakness, opportunities and threats of a company. It determines realistic factors which assist the firm in understanding its potential and the challenges which it should overcome to accomplish its objectives.

STRENGTH

- Huge energy capacity
- Strong liquidity position

WEEKNESSESS

- controlled by the state Government
- Lack of adequate transmission infrastructure

- Lack of consumer awareness and acceptability.

OPPORTUNITIES

- Government focus on renewable energy
- Current and upcoming energy projects
- Financial incentives available for renewable energy

THREATS

- Throat cut Competition in the market
- Fluctuation in the demand

1.5 FUTURE GROWTH AND PROSPECTS

Company is increasing for expansion due to the increasing demand in the market. The company is providing good quality of product in every level. The maintaining parameters and specification organization is receiving so many enquires and collecting good amount of orders, increasing the production capacity by using new technologies. As the other energy sources are deploying day by day and demand is rising day by day there are great opportunities for the company for the future time period.

1.6 FINANCIAL STATEMENT

KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED

Particulars	Note no.	As March 31, 2018	As March 31, 2017	As April, 2016
I. Assets				
1. Non-current assets				
Property plant and equipment	1	59,76,70,511	3,27,99,956	3,71,68,957
Capital work-in-progress	2	29,18,93,040	22,88,50,402	21,48,47,967
Other intangible assets				
Financial assets				
i. Investments	3	13,96,345	50,00,000	50,00,000
ii. Trade receivables				
iii. Loans	4	1,71,40,614	1,90,67,455	2,13,98,133
iv. Other financial assets				
Deferred tax assets				
Other non- current assets				
Total non-current assets		90,81,00,510	28,57,17,813	27,84,15,057
2. Current assets				
Inventories				
Financial assets				
i. Investments				
ii. Trade receivables	5	10,51,690	8,78,803	11,79,851
iii. Cash and cash equivalents	6	15,00,08,703	8,33,27,833	23,69,25,195
iv. Bank balances other than	7	462,90,70,273	587,89,50,457	455,49,85,577

cash and cash equivalents				
v. Loans	8	126,99,70,879	----	-----
vi. Other financial assets	9	47,33,00,959	39,14,13,932	39,97,97,230
Other current assets	10	36,15,20,485	35,57,90,409	36,00,75,284
Total current assets		688,49,22,989	671,03,61,434	555,29,63,137
Total assets		779,30,23,499	699,60,79,249	583,13,78,194
I. Equity and liabilities equity				
Equity share capital	11	50,00,300	50,00,300	50,00,300
Other equity	12	219,64,42,342	175,78,85,352	130,62,17,465
II. Liabilities				
1. Non-current liabilities				
Financial liabilities				
i. Borrowings				
ii. Trade payables				
iii. Other financial liabilities	13	352,43,24,655	296,88,72,848	313,46,08,507
Provisions	14	2,45,94,945	2,27,02,972	2,29,29,277
Deferred tax liabilities (net)	15	61,732,304	26,08,767	42,27,241
Other non-current liabilities				
Total non-current liabilities		334,06,51,904	299,41,84,587	316,17,65,024
1. Current liabilities				
Financial liabilities				
i. Borrowings				
ii. Trade payable	16	47,75,31,755	9,25,66,300	9,16,76,645
iii. Other financial liabilities	17	156,06,32,733	188,61,43,915	122,59,96,220
Other current liabilities	18	20,95,00,000	25,51,00,000	13,88,00,000
Provisions	19	68,68,120	51,98,793	19,22,593
Total current liabilities		225,45,32,608	223,90,09,008	135,83,95,404
Total equity and liabilities		779,30,23,499	699,60,79,247	583,13,78,194

KREDL**STATEMENT OF P&L FOR THE YEAR ENDED 31ST MARCH, 2018**

PARTICULARS	FOR THE YEAR ENDED 31-03-2018
1. Revenue from operations	272696600
2. Other income	79689957
Total revenue 1+2	352386557
3. Expenses:	
cost of material consumed	
purchased of stock-in-trade	
changes in inventories of finished goods, work-in-progress and stock-in-trade	28051681
employee benefit expense	1798548
financial costs	16399955
depreciation and amortization expenses	42124967
other expenses	88375151
Total expenses	264011406
4. Profit before exceptional and extraordinary items and tax	(18853500)
5. Exceptional items	282864906
6. Profit before extraordinary items and tax	
7. Extraordinary items	
Profit before tax	282864906
	(1365630)

Prior year income /expenses	281499276
8.Tax expense:	6370993
(1) current tax	181580835
(2) deferred tax	
(3) previous year	
9.Profit (loss) from the period from continuing operations	
10.Profit / (loss) from discontinuing operations	
11.Tax expense of discounting operations	
12.Profit /(loss) from discontinuing operations	181580835
13.Profit /(loss) for the period	
14 Earning per equity share:	363.14
(1) Basic	363.14
(2) Diluted	

CHAPTER-2
THEORITICAL BACKGROUND

2.1 THEORITICAL BACKGROUND

FUND MANAGEMENT

The reason for estimating exchanging execution, operational effectiveness, gainfulness and budgetary level is a worry uncovered by various financial data. These fiscal reports are made to discover the money related adequacy of a company as entire for a specific timeframe. As indicated by the board, the handiness of data given by these pay explanation capacities is viably and productively. In the genuine sense they don't unveil the nature/normal for all exchanges. The board, Creditors and Investors and so on need to decide or assess the sources and use of assets utilized by the company strategy. In light data, it is fundamental to break down the allotment of advantages, assets by activities and capital between the segments of multiyear budget reports. The examination of budget reports helps the administration by giving included data in a viable way.

Meaning of fund

The expression "Fund" alludes to Cash, to Cash related or to Working Capital and every single budgetary asset which are utilized in business. These all out assets of a worry are as men, materials, cash, plant and types of gear and others.

In a more extensive significance "Fund" alludes to Working Capital. It shows the distinction among current resources and current liabilities. It might be:

- (a) Gross Working Capital and
- (b) Net Working Capital.

"Net Working Capital" speaks to aggregate of every single Current Asset."Net Working Capital" alludes to abundance of Current Assets over Current Liabilities. In a tight sense "Fund" indicates money or cash equivalents.

Objectives of fund are:

- To summarize the financing and investing activities of the entity, including the limit to which the enterprise has made fund from operation during the period.
- To complete the disclosure of changes of financial position during the period.

Meaning of Flow of Funds

It alludes to the progressions, development of assets or changes in operating capital in the exchanges. The adjustments in working capital might be as in bringing of working capital or surge of WC. In simple words, any expansion or diminishing in working capital

At point when the exchanges occur is known as "Stream of Funds." If the element of operating capital outcomes in increment of the reserve, it is called as incoming of Fund or origin of Fund. Additionally, parts of operating capital impacts in downsizing the budgetary level it is consider as outgoing of Fund.

For instance, store made from method for issue of offers can consider a wellspring of reserve or incoming of Fund. This exchange brings about expanding the monetary level. Like this, the store utilized for the buy of benefit utilization of reserve or outpouring of store since it remains to decreases the reserve position.

Sources of Funds

For every business enterprise, there are two sources of business Fund. These are:

1. Owner's Fund.
2. Borrowed Fund.

Owner's Fund

Owner's Fund alludes to the Funds contributed by proprietors just as the gathered benefit of organization. This amount stays in organization; it consists of risk to restore this Fund. Value capital indicates provider has a proprietorship enthusiasm for the business that is utilizing the capital, and offers in the dangers and the prizes related with activity of the business. On the off chance that the business is adding up to a sound and productive Endeavour, the client ought to have little trouble discovering providers of value. Despite what might be expected, the client won't have any desire to surrender more benefit or control than is totally essential.

Main Features of Owners Fund are:

1. Source of permanent Capital.

The owners Fund remains permanently invested in the business. It is not refundable like loan or borrowed Fund. A major part of owner Fund is used for acquiring fixed assets. This type of finance is available for all purposes throughout the complete life of business.

2. Provision of Risk Capital.

The owners Fund can be called as the risk capital of the business, as the result on this capital depends upon the rate of earning of the company. In case company is incurring loss then it is not compulsory to pay any return on owners Fund. If loss continues owners may not be able to recover even their original investment. The return on owners varies with the profit earning of the company, which is why it is called risky capital.

3. Risk and Reward

Coordinating clients with providers is to a great extent a component of the particular gatherings' craving for conduct towards hazard, and their needs and desires for remuneration, either to be gotten as a provider or surrendered as a client.

Merits of owners Fund

The benefits of ownership capital are:

1. Permanent Capital.

The owner's Fund remains with the business permanently. It is not refundable capital.

2. Improve credit Worthiness.

The amount of owner's fund in the capital improves the credit-worthiness of the company.

3. No Security Required.

Company has to offer no security for raising capital from owner's Fund

1. High amount of Funds can be generated.

There is no limit in amount of capital to be raised by issue of owner's Fund security

2. Right to Control.

The final decision in the business organization is taken by the owner's.

Demerits of owner's Fund

There are certain limitations of ownership capital. These are:

1. Diffusion of Control

This may reduce the control and powers of the real owners who have promoted the company.

2. Under-Utilization of Capital.

Ownership Funds cannot be reduced easily as this are a permanent source of capital.

Borrowed Fund

Borrowed Fund means the borrowing that a firm take from another source. It consists all sources that provide funds by way of exterior sources.

Features of borrowed Fund Capital are:

1. Fixed Time.

The Borrowed Fund is raised by business firm for specified periods. These Funds may be raised for short term, medium term or long term.

2. Security.

Generally firm can borrow funds against the security of assets. Bank and financial institutions offer loans on different terms against the security of assets.

1. Regular Payment of Interest.

It is legal obligation of business firm to pay a regular amount of interest on borrowed fund. The principal amount also has to be paid within a fixed time period.

2. Control.

The borrowed Fund security holders have the right to sue the firm in case there is default in payment of Interest or repayment of loan amount

Merits of Borrowed Fund

1. Inference Infer.

Borrowed Fund security holders do not get any right to control.

2. Interest as an Expense.

The interest which we pay on taken fund is consider as expenditure and is reduced from the sum of income of the firm while calculating the income tax. So the tax liability is minimized.

1. Flexibility.

We can increase the amount of taken fund by taking more fund and decrease by repay them.

2. Fixed Rate of Interest.

A fixed rate of interest is paid on borrowed Fund.

Demerits of borrowed Funds

1. Adequate security.

Borrowed Funds are usually available up to 80% of the value of assets.

2. Fixed liability.

Remittance of interest and reimbursement of principal amount of borrowed fund is a fixed liability of company.

Methods of Raising Fund

Companies can raise fund from the following methods:

1. Retained earnings
2. Trade credit
3. Factoring
1. Public deposit
2. Commercial paper

3. Shares: Equity shares and Preference shares
4. Debentures
5. Commercial bank

1. Retained profits/ earnings

profits are otherwise called tormenting back of benefit, held profit, self-support or inner store, stores or excess. Held income alludes to undistributed benefits after installment or partitioned and assesses. It gives and the premise of development and development of organizations. It is viewed as the most imperative wellspring of store; since it is inside created, this technique for reserve is known as FUND Self.

Features of Retained earnings:

- **Cushion of Security.**

The retained earnings are considered as a Cushion of Security because they provide support in times of adversity.

- **Funds for new and innovative Projects.**

The retained earnings are a common source of funds for financing risky and innovative Projects. It is used for research work.

2. Trade Credit

Trade credit refers to actions were by a producer is given credit from the provider of crude materials, inputs, save parts and so forth. The providers enable their clients to pay their extraordinary parity, inside a credit period. For the most part the length of exchange credit is three to a half year and along these lines it is a transient financing office. The accessibility of exchange credit relies on:

- a. Nature of the firm
- b. Size of the firm
- c. Status or credit value of the firm.

3. Factoring

Calculating is a monetary Service System Requirement Specification under which factor renders the accompanying administrations:

a. Discounting of Bills of Exchange:

At the point when products are sold using a credit card then a provider for the most part draws bills of trade upon clients who are required to acknowledge the equivalent. The term of bills of trade is commonly three months. Instead of holding or keeping the bill with himself the provider gets it changed over into cash before development date is called Discounting of Bills.

b. Providing data with respect to the Creditworthiness of Prospective customers:

Factors gather information with respect to the monetary history of various organizations.

4. Public Deposits

Open Deposits alludes to unbound stores welcomed from the general population. An organization willing to welcome open stores posts notice in papers. Any individual from open can top off the recommended from and store cash with the organization. Open stores are easy to rise. An organization essentially needs to post commercials in the paper. Any individual from the open can store cash with organization by filling an endorsed structure. The organization issues a store receipt consequently and on the back of the receipt the term and state of the stores are printed.

5. Commercial papers

Commercial papers are a wellspring of transient assets. The commercial paper was presented in India without precedent for 1990. It is an unbound promissory note issued by open or privet part organizations with a fixed development period, which shifts from 3 to a year. Since these are unbound that is the reason organizations having a decent notoriety in market for the most part issue these, it is a ceaseless wellspring of Funds as its development can be changed by the prerequisite of the organization. Cost of issuing business paper is low. It is lower than the cost associated with taking advance. Commercial papers are unreservedly debatable instruments; Companies can likewise put their abundance cash in limiting the business papers and acquire a decent measure of return. Commercial papers are freely negotiable instrument.

6. Shares

Shares are the most mainstream type of equity capital. They give the changeless capital of the business. The holders reserve no options to reimbursement from the organization with the exception of upon it being twisted up, and afterward just if there are sufficient resources for give a surplus sum after all obligations and special banks have been reimbursed. As the bearers of the great risk, be that as it may, investors are qualified for the whole surplus profit and resources of a business once all different cases have been satisfied. The higher the risk, the higher the investor anticipates his reward, either as profits from appropriated benefits or from capital development in the estimation of his speculation from re-contributed benefits or desires for future benefits.

A share is the littlest unit in which proprietor's capital of the organization is separated. An offer is the enthusiasm of the investor in the organization estimated by an aggregate of cash with the end goal of liabilities and premium. Offers are two sorts:

- **Equity shares.**
- **Preferences shares.**

• Equity shares.

Equity share is the basic security issued under perpetual or proprietor's reserve. The value shares are those offers, which don't convey any exceptional or particular rights in the installment of yearly profit or reimbursement of capital, at the season of wrapping up likewise capital of value investors is returned simply after each case has been settle.

Act allowing organizations to issue two classes of Equity Shares:

- Equity share with equal rights.
- Equity share with differential rights as to dividend.

• Preferences shares

Preferences shares are another type of equity capital and, in this the provider has some preferences over ordinary shareholders. Ordinarily, this has to do with the instalment and the rate of profit, which is payable before any profit can be paid to common investors, and, in case of a wrapping up, inclination in the allotment of benefits or the returns from their deal. The providers of inclination share capital are going out on a limb related with possession — there might be deficient continues from a liquidation to pay them out, either in full or by any

means, and, especially in the early years, benefits may either not be earned or not earned in adequate add up to pay the normal profit. In any case, the dangers are to some degree lower than those of the conventional investor.

The presumptive worth of inclination share is for the most part high. The inclinations pull in wary and moderate speculators. The hazard engaged with inclination shares is generally lesser. Inclinations shares are those offers, which get inclination over value partakes in regard;

Preferences shares are of two sorts:

- The payment of dividend.
- The repayment of investment amount during winding up.

7. Debentures

Debentures are basic securities issued under obtained finance capital. Debentures are instruments for raising long haul obligation capital.

Debentures are called loan bosses send securities since debentures-holders are called lenders of an organization. When discussing obligation capital, we are, obviously, indicating the assets brought by organizations required up in some profitable movement and provided as a repayable obligation instrument frequently cited a corporate security. Note likewise that administrations are serious backers of obligation instruments to raise capital for an assortment of purposes — government bonds or gilts, purported in light of the fact that the first authentications gave to loan specialists were edged in gold leaf, thus plated edged securities

"A debenture can be characterized as a record or an authentication issued by an organization under its seal as affirmation of its obligation. Holder of debenture declaration is called debenture holder."

8. Commercial Bank

Commercial banks catch an essential position as they give assets to different purposes and diverse periods. Firms of all size can approach business banks. For the most part business banks give short and mediums term credits however at this point multi day they have begun giving long haul advances again security.

Significance or Uses of Fund Management

Fund Management are made for Management of reserve so as to address the issues of individuals filling the accompanying needs.

- Achieves budgetary quality shortcoming of worry.
- Tell about imperative device to quantify the reasons for alter in working. capital.
- Encourages administration to make right activities while fluctuation among two monetary records.

strategy utilized financial specialists compelling choice season of their speculation proposition.

- It additionally gives point by point data about productivity, operational proficiency and money related undertakings of a worry.
- It fills in as a manual for the administration for detailing of its profit arrangement, maintenance strategy and speculation approach and so forth.
- It assesses the monetary consequences of business exchanges engaged with operational money and speculation.
- It gives the itemized clarification about development of assets from various sources or employments of assets amid a specific bookkeeping period.

Limitations of Fund Management

Fund Management has endured with the accompanying constraints:

- It is set up based on data identified with authentic in nature.
- This announcement does not concentrate on exchanges associated with non-subsidize things.
- It additionally overlooks when exchanges required between current records or non-current records.

- It doesn't give any extra data to the administration in light of the fact that budget summaries are just revamped and introduced.

2.2 LITERATURE REVIEW

Fernando Ferreng (2012) it is commonly concurred that ongoing monetary emergency heightened Worldwide challenge among money related organizations. This challenge has direct effect on how bank manage their client and accomplish its destinations of store the executives of banks is the key capacity for improving banks execution. Banks gainfulness and accomplishment to an expansive degree relies upon bank office money related execution.

Ramchandan Azhagasahi and Sandanvn Gejalakshmi (2012): In their investigation found the effect of store stream the board effectiveness and bank estimate on the budgetary execution of the open segment and private area bank. The examination uncovered that save money with higher complete capital stores and absolute resources don't constantly imply that they have better budgetary execution. The general financial division is firmly impacted by resources use, finance the executive's effectiveness and intrigue pay.

NutanTroke and P K Pachorkar (2012): The investigation related that the private area banks the level of other salary in the all-out pay is higher than open division bank. Open segment bank relies upon goal salary for their effectiveness and execution. The operational proficiency of private segment banks is superior to anything open segment banks. Private area bank utilizes their advantages quality superior to anything open part banks.

Suppa-Aim and Teerapan (2010) in the theory "subsidize execution in developing markets the instance of Thailand" explicitly explores reserves stream rising economics, utilizing broad data than past examinations; for venture approach, assessment reason contrasts, one of a kind qualities of assets the board in Thailand. The creators examined how support administrators work and what system they utilize dealing with their folios; store attributes clarify subsidize execution.

Sawmaya and Ashok Banjara (2009) in the article entitled "Drawback hazard examination of country reserve stream. An incentive in danger approach" set forward drawback hazard loans of Indian reserve showcase utilizing a VaR measure.

Dr, Hietesh S. (2009) "Asset activation by finances industry" an endeavor to break down all out asset assembly by the assets business for multiyear time span. Investigation titled "Asset

activation by Industry" demonstrates 70 percent of the assets assembled by fluid salary reserves offered by private division common finances offer of open segment has diminished to 8.81 percent over the examination time frame.

Shrad and tripathi (2006) "attributes and execution assessment of chose common assets in country" considered an example of open division supported and private segment supported source of fluctuated for research the distinctions in level of benefits hold, folio expansion and un fixed impacts of 38 broadening on speculation for the period may 2002 to may2005.

Nalini Prava Tripathy (2005) in their examined the market timing capacities of Indian Fund supervisor in type of two models, one by Treynor and Mazuy and the other by Henriksson and Merton. The outcomes showed that Indian store chiefs are not ready to time the market accurately. There is just a single plan out of 31 which displayed the planning capacity of the reserve administrator.

Zarki Y (2005) facilitated a case of socially careful accounts composed to heedlessly pick customary resources of tantamount net focal points for look at differences in qualities of advantages held, dimension of portfolio extension and variable effects of widening on theory execution. The examination found that socially careful resources don't differentiate basically from ordinary resources with respect to any of these qualities. Also, the effect of expanding on endeavor execution isn't unmistakable between the two social events. The two get-togethers neglected to meet desires Domini 400 Social Index and S and P 500 in the midst of the examination time allotment.

Bijan and Saikat Deb (2003) in their article "restrictive and execution tirelessness of assets long lasting proof" researched by Indian MF troughs commitment by better execution. Exploration find a normal the Indian MF supervisors just catches open doors accessible financial data; they don't contribute past. Data focuses on store molded to slack financial data factors, the reserve on a normal winds up negative. The data factors utilized in the investigation are loan fees, profit, sham. Creators likewise analyzed proof of perseverance execution dependent on cross sectional relapses of future overabundance comes by proportion of earlier reserve execution utilized both contingent and unequivocal proportions of execution as proportion of part support execution. The outcomes demonstrated that restrictive proportions of past execution foresee the future store returns essentially.

National Council of Applied Economic Research (NCAER) 2003 saw independent of work pursued or instructive dimension, age accomplished, family units gathering idea putting something aside for what's to come was alluring. It was discovered that craving to make arrangement for crises were a critical intention in putting something aside for seniority. It is discovered from the Study administrative expert SEBI, detailed that precaution and free flow are the essential contemplations decided the decision of a venture resource. They discovered the element which impact ones the speculation choice, is the distinction impression of Investors by contributing procedure based on Age and distinction in view of the Investors based on Gender.

Michale and Yehuda (2002) analyzed the connection among assets execution. It recognized upper and lower level assets and reveals few extra insights into the developing contention concerning the job of free executives as screens of the charge setting rehearses composed the assets. They found that for top notch directors, there is a positive connection between charges and execution. Interestingly for less level controller, consist of reducing connection among expenses, execution. The creators trusted mirrors impetus for low administrators extricate smaller advantages by speculators probability of survival is less by low functioning chiefs. The outcomes are predictable idea that the autonomous executive's obligation defend enthusiasm of investors may not be successful as such.

Henriksson (1984) revealed that support supervisors were not ready to pursue a venture methodology that effectively times the arrival available portfolio. Again Henriksson (1984) finish up there is solid proof that the assets showcase hazard exposures change because of the market demonstrated. Be that as it may, the reserve supervisors were not fruitful in timing the market.

John McDonald (1974) analyzed connection among expressed store goals, dangers and return characteristics. The investigation infers a normal reserve supervisors seemed to keep their portfolios inside the expressed hazard. A few assets in the lower chance gathering had higher hazard than assets in the most hazardous gathering.

Fama (1972) built up a procedure for assessing speculation execution of oversaw portfolios and proposed that the general execution could be separated into a few segments.

I.C.W.A in Glossary of Management Accounting terms characterizes Fund Management as "An announcement imminent or review, setting out the sources and utilization of assets of an undertaking. The motivation behind articulation is to demonstrate obviously the necessity of assets and how they are proposed to be raised and the proficient usage and utilization of the equivalent."

The subsidize the board is an explanation that gives extra data respect to changes in working capital, got from fiscal reports at two of time. It is instrument of the board for monetary investigation and aides in deciding.

According to **Foulke (1972)** invent a method for judging investment capability of portfolios and put forward that the staging can be break into parts the changes in the financial condition of a business enterprise.

CHAPTER-3
RESEARCH DESIGN

RESEARCH DESIGN

INTRODUCTION

A Research Design is a method and technique for collecting information needed to solve the problem. It is the basic plan in the data collection or analysis. It perceives the kind of data to be gathered, the source and information accumulation methodology.

3.1 STATEMENT OF THE PROBLEM

Management of fund is most important for the success of the any organization which is capable of managing the fund and other activities effectively. Hence this topic is selected to evaluate the financial soundness and the market standing of the organization in order to give better scope to investors, creditors and management.

3.2 NEED FOR THE STUDY

To analyze the various fund management technique followed by the firm and identify the effectiveness of flow of fund in the organization determining the financial performance of the firm. The findings of the study can be used as secondary data for the various future study purposes.

3.3 OBJECTIVE OF THE STUDY

1. To determine the effect of liquidity position on working capital
2. To analyse the overall fund management of the KREDL ltd.
3. To analyse the sources and application of fund and its effective and efficient utilization.
4. To study the fund sources of the company

3.4 SCOPE OF THE STUDY

This study is specially conducted for the company for a time period of three financial year's reports. The trends indicated might different from one year to another year in design of instruments, sales etc. This study is carried to evaluate the management of flow of fund in the company. This gives a broad scope of understanding and functioning of the public sector units.

3.5 RESEARCH METHODOLOGY

The data that is collected from the raw information input for the project has been collected keeping in mind the aim of the project and according to that the necessary information has been found. The methodology used is a descriptive method of the research. Following are the sources:

SOURCES OF DATA COLLECTION:

The data collected from the study is divided as:

- ❖ Secondary Data

Secondary Data:

It was collected through two types of sources:

- **Internal sources:**
Documents, reports, profiles, books of accounts, balance sheet.
- **External sources:** Magazines, newspapers and websites.

TOOLS FOR ANALYSIS

Trend analysis has been used for analyzing the fund management tables and graphs.

3.6 LIMITATIONS OF THE STUDY

1. Limited information has been provided by the company because of secrecy.
2. Accuracy of information depends on level of correctness accountings of the company.
3. Study was confined to 45 days.
4. Time constraint.

3.7 CHAPTER SCHEME

The study presented in the chapter as follows:

CHAPTER 1- INTRODUCTION

This chapter contain of introduction, Industry profile and Company profile: Promoters, Vison, Mission and Quality Policy, Product Profile and Area of Operation, Infrastructure Facility, SWOT analysis, Future Growth and Perspective.

CHAPTER 2- CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

This chapter consist of the background of theories of the study and review literature.

CHAPTER 3- RESEARCH DESIGN

This chapter consist of statement of the problem, Need of the study, objectives, scope of the study, research methodology, limitation of the study and chapter scheme.

CHAPTER 4- ANALYSIS AND INTERPREATATION

This chapter consist of a detailed analysis and interpretation of fund management.

CHAPTER 5- SUMMARY OF FINDINGS AND SUGGESTIONS

This chapter gives a summary of findings, recommendations and conclusions. On the grounds of the analysis of financial statement; company summary of findings is listed in accordance with the objectives of the study. A few suggestions are also made on the basis of findings.

CHAPTER-4
DATA ANALYSIS AND INTERPREATION

Introduction to data Analysis and Interpretation

S NO.	PARTICULARS	2015 -16	2016-17	INCREASE	DECREASE
1	Current Assets				
	Inventories				
	Financial Assets				
a	Investments				
b	Trade Receivables	1179851	878803		(301048)
c	Cash And Cash Equivalents	236925195	83327833		(153597362)
d	Bank Balances Other Than Cash And Cash Equivalents	4554985577	5878950457	1322964880	
e	Loans	-	-		
f	Other Financial Assets	399797230	391413932		(8383298)
	Other Current Assets	360075284	355790409		(4284875)
	Total Current Assets	5552963137	6710361434	1157398297	
2	Current Liabilities				
	Financial Liability				
a	Borrowings				
b	Trade Payables	91676645	92566300		(889655)
c	Other Financial Liabilities	1125996220	1886143915		(760147695)
	Other Current Liabilities	138800000	255100000		(116300000)
	Provisions	1922539	5198793		(3276254)
	Total Current Liabilities	1358395404	2239009008		(880613604)
	Change In Working Capital			276784693	

It Analysis and interpretation is the way toward recognizing qualities and shortcoming of a firm by appropriately building up between two things. It is helpful for basic leadership, there are number of technique which are commonly utilized in investigation of money related administrations, for example, near articulation, pattern examination, normal size explanation and so on.

MEANING OF ANALYSIS

Analysis is a process of gathering Data facts, figures and ideas which is converted into meaningful and useful information.

MEANING OF INTERPRETATION

In a research study interpretation means the process of drawing inference from collected data, generally in research, study statistical analysis of data is made the result of statistical analysis need to be interpreted in terms of number of columns and number of rows.

Analysis

As we can see that the comparative analysis between for the year 2015-16 & 2016-17 shows that the working capital of the company is at 276784693 which is (1157398297 – 880613604) as far as concerned a working capital means (current assets – current liabilities)

Statement of changes in working capital for the year 2016-17 & 2017-18

S NO.	PARTICULARS	2016 – 17	2017-18	INCREASE	DECREASE
1	Current Assets				
	Inventories				
	Financial Assets				
a	Investments				
b	Trade Receivables	878803	1051690	172887	
c	Cash And Cash Equivalents	83327833	150008703	66680870	
d	Bank Balances Other Than Cash And Cash Equivalents	5878950457	4629070273		(1249880184)
e	Loans	-	1269970879	1269970879	
f	Other Financial Assets	391413932	473300959	81887027	
	Other Current Assets	355790409	361520485	5730076	
	Total Current Assets	6710361434	6884922989	174561555	
2	Current Liabilities				
	Financial Liability				
a	Borrowings				
b	Trade Payables	92566300	477531755		(384965455)
c	Other Financial Liabilities	1886143915	1560632733	325511182	
	Other Current Liabilities	255100000	209500000	45600000	
	Provisions	5198793	6868120		(1669327)
	Total Current Liabilities	2239009008	2254532608		(15523600)
	Change In Working Capital			159037955	

Analysis

As we can see that the comparative analysis between for the year 2016-17 & 2017-18 shows that the working capital of the company is at 159037955 which is (174561555 – 15523600) as far as concerned a working capital means (current assets – current liabilities)

Table – 4.1

Table showing Share capital

(Rupees in lakh)

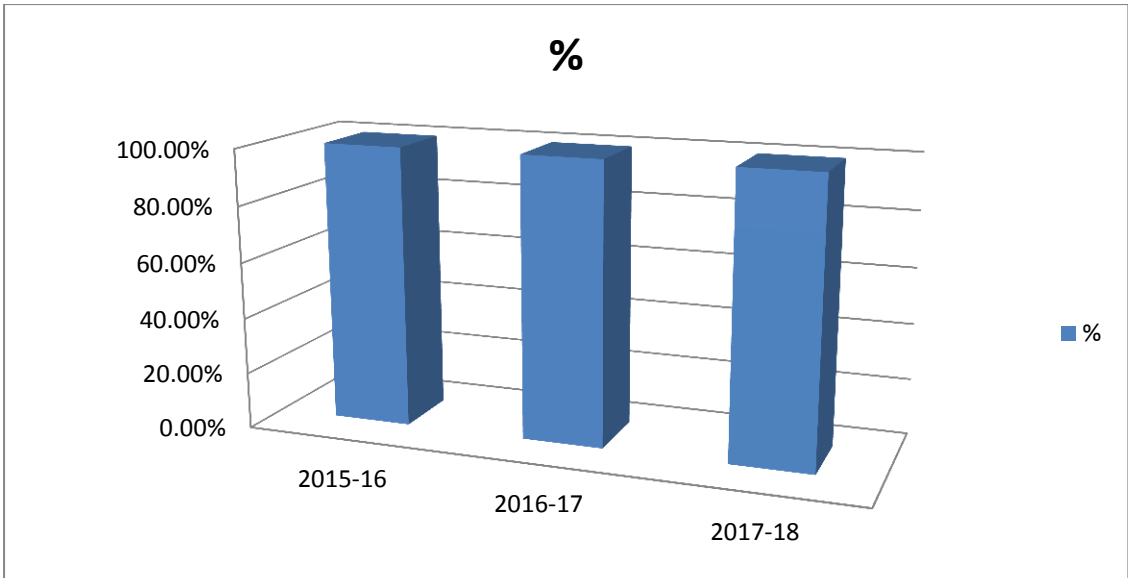
Year	Share capital	In Percentage
2015-16	50.003	100%
2016-17	50.003	100%
2017-18	50.003	100%

ANALYSIS:

From the above table showing that there are no changes in Share capital in the year, 2015-16, 2016-17 and 2017-18 gradually no changes in Share capital respectively

Graph – 4.1

Graph showing Share capital



INTERPRETATION:

From the above study it can be seen that in the year 2015-16, 2016-17, and 2017-18 the share capital was same for three years and there is no increase and decrease in share capital. Because it's based on organization fixed certain amount to the share capital

Table – 4.2

Table showing Reserves and surplus

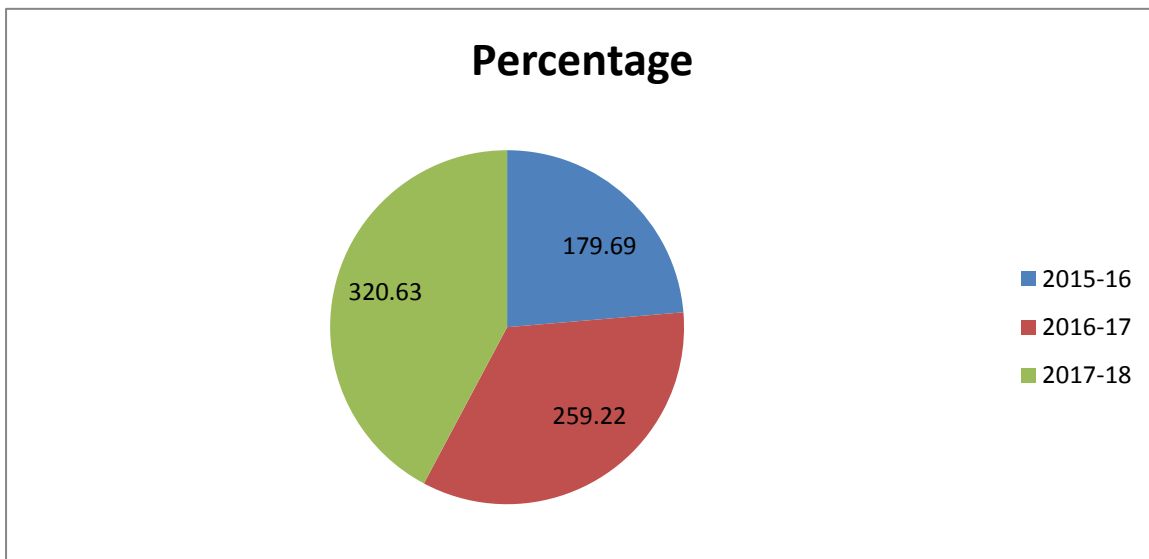
(Rupees in lakhs)

Year	Reserves and surplus	In Percentage
2015-16	4,102.55	179.69%
2016-17	5,918.36	259.22%
2017-18	7,320.24	320.63%

ANALYSIS:

The above table shows the Reserves and surplus of KREDL. During the year 2015-2016 the Reserves and surplus of the company was 4,102.55 lakhs then it has been increased in the year 2016-2017 from 4,102.55 to 5,918.36 and in the year 2016-2017 in the year 2017-18 the reserves and surplus of the company is increased to Rs.7320.24 lakh

Graph – 4.2



Graph showing Reserves and surplus

INTERPRETATION:

As per the above study it can be observed that the reserves and excess has been increased to 320.63% in the year 2017-18, which indicates the strong position on the company. The company maintains proper reserves for the future needs.

Table – 4.3

Table showing the Fixed assets

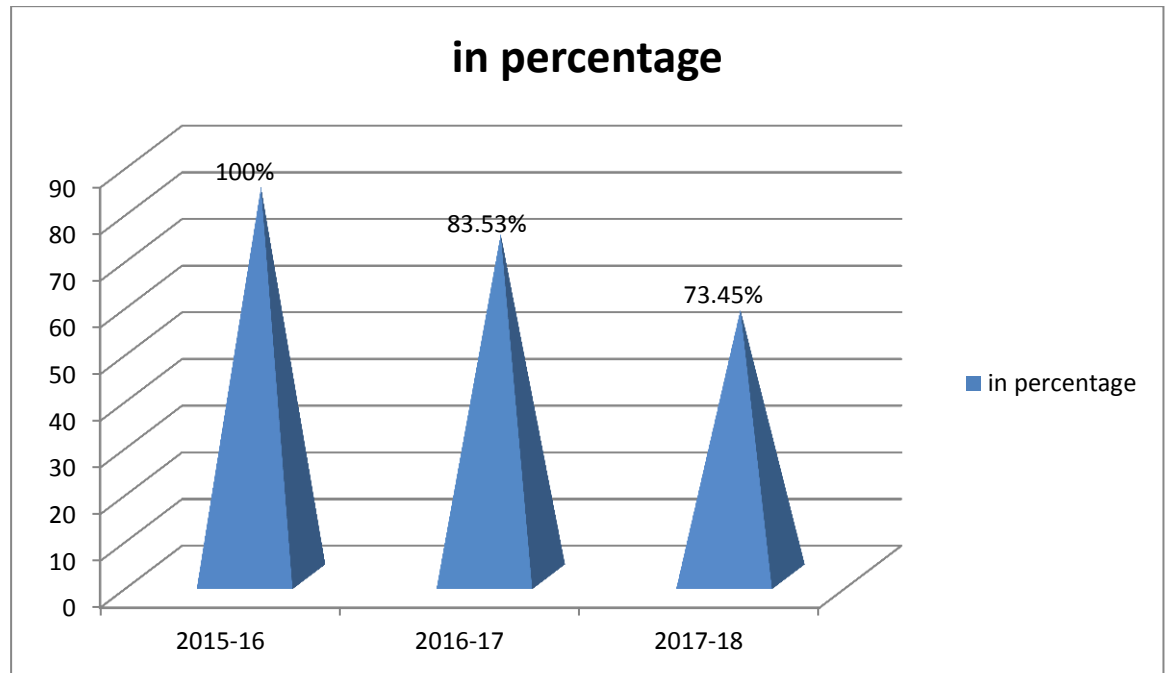
(Rupees in lakhs)

Year	Fixed assets	In Percentage
2015-16	696.75	83.53%
2016-17	612.67	73.45%
2017-18	477.24	57.22%

ANALYSIS:

The above table depicts the fixed assets was Rs.696.75 lakh in 2015-2016, Rs.612.67 lakh in 2016-2017 and 2017-18 the fixed assets was 477.24. the fixed assets of the company have declined from the year 2015-16, that is from 100% to 83.53% to 73.45% to 57.22%.

Graph – 4.3



Graph showing fixed assets

Interpretation:

The above graph shows the fixed assets from 2015 to 2018. It can be understood that fixed assets of the company has been decreasing from year to year. In the year 2017-18 it has been decreased to 73.45 as a percentage change. Thus it will be challenging for the company, to meet processing & sales

Table – 4.4

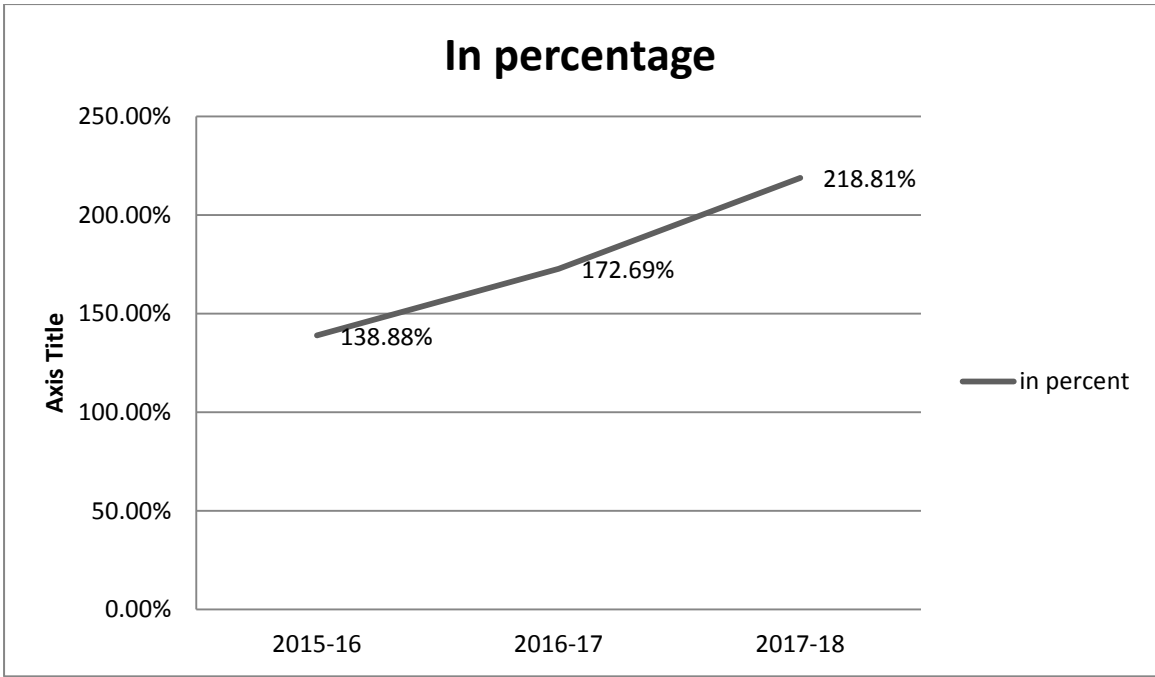
Table showing Current assets

(Rupees in lakhs)

Year	Current Assets	In Percentage
2015-16	9,498.22	138.88%
2016-17	11,810.08	172.69%
2017-18	14,964.28	218.81%

ANALYSIS:

The above table shows that the Current Assets of KREDL are increasing from year to year. In 2015-16 current assets is Rs. 9,498.22 lakhs. In 2016-17 current assets were gradually increased to Rs. 11,810.08 lakhs that is from 138.88% to 172.69% respectively, and in the year 2017-18 it is increased to Rs. 14,964.28 which is from 172.695 to 218.81%.



Graph – 4.4

Graph showing Current assets

Interpretation:

From the above Current assets are another item of sources of funds to the company. It increases from year to year. The company increases current assets to meet the working capital requirements.

Table – 4.5

Table showing Current Liabilities

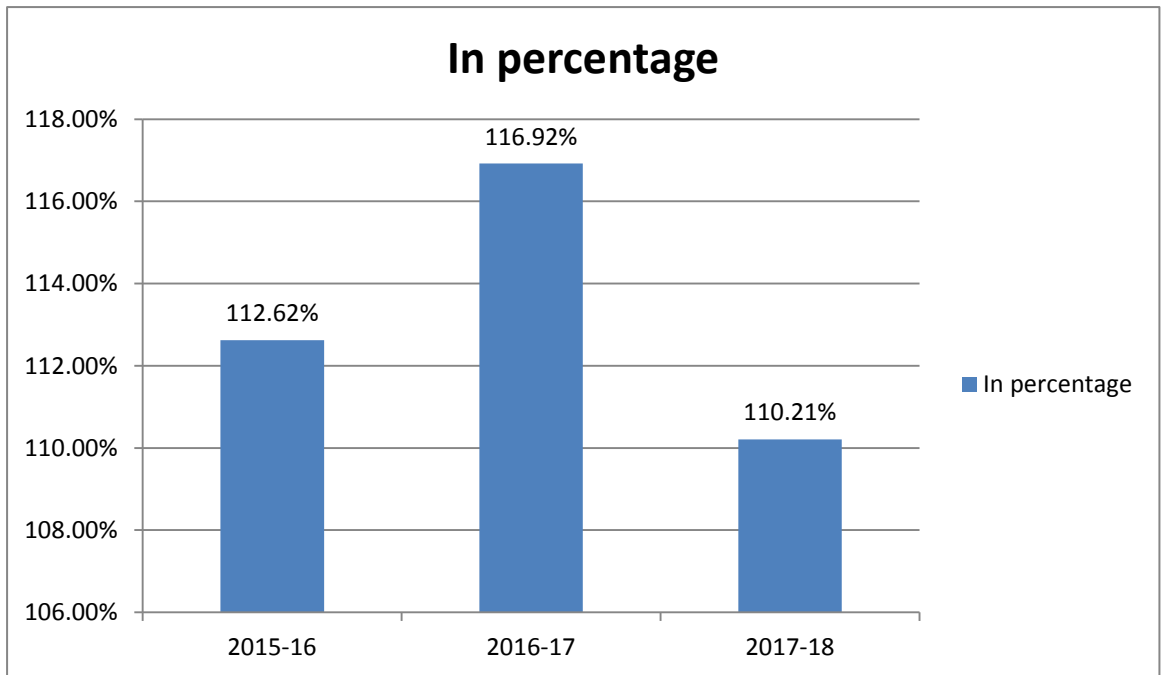
(Rupees in lakhs)

Year	Current Liabilities	In Percentage
2015-16	5,110.12	112.62%
2016-17	5,305.45	116.92%
2017-18	5000.68	110.21%

ANALYSIS:

From the above table it can be seen that the company's Current Liabilities was Rs. 5,110.12 lakhs in the year 2015-16, Rs. 5,305.45 lakhs in the year 2016-17, 2016-17 Current Liabilities gradually increase from year, but in the year 2017-18 Current Liabilities were slightly decreased to 5000.68 lakh.

Graph – 4.5



Graph showing Current Liabilities

Interpretation:

The above graph is showing the amount of current liabilities of the KREDL. Current liabilities gradually increase in year 2016-17 but in 2017-18 it reduced to 110.21 percent

Table – 4.6

Table showing Provisions

(Rupees in lakhs)

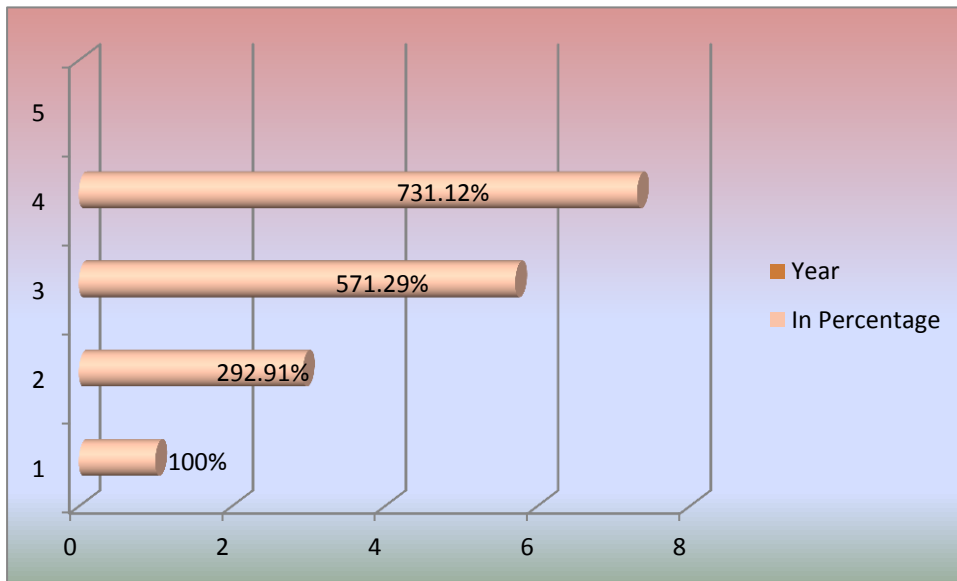
Year	Provisions	In Percentage
2015-16	529.67	292.91%
2016-17	1033.05	571.29%
2017-18	1322.02	731.12%

ANALYSIS:

The above table shows that the Provisions of KREDL has been increasing from year to year. In 2015-16 Provisions was Rs. 529.67 lakh. In 2016-17 Provisions were gradually increased to Rs. 1033.05 lakh that is from 292.91% to 571.29% respectively, in the year 2017-18 it gradually increased to Rs. 1322.02 lakh which is from 571.29% to 731.12%.

Graph- 4.6

Graph showing Provisions



Interpretation:

The above Graph showing that amount of provisions of the KREDL. Provisions are gradually increased every year. Because of provision for income tax, provisions for employee retirement benefits like pension, gratuity, and leave salary increased from year to year.

Table– 4.7

Table showing Secured loans

(Rupees in lakhs)

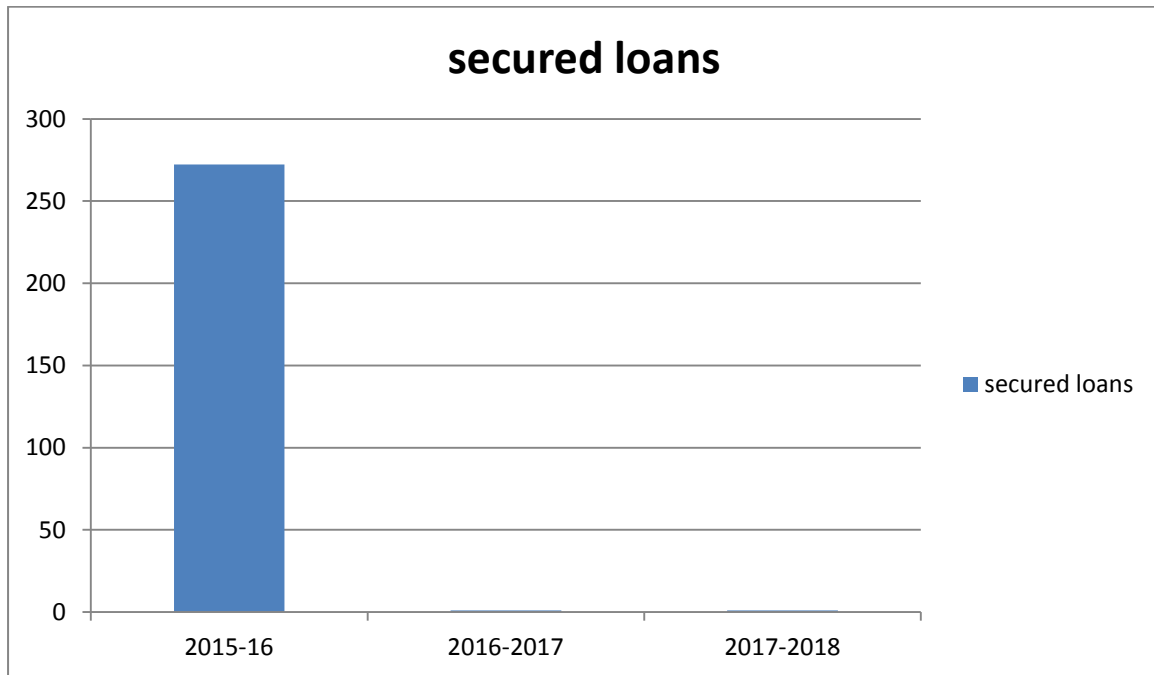
Year	Secured loans	In Percentage
2015-16	272.21	68.15%
2016-17	0	100%
2017-18	0	100%

ANALYSIS:

From the above table it can be seen that the company's Borrowings was Rs. 272.21 lakh in the year 2015-16, but in years 2016-17 and 2017-18 the company did not borrowed funds from outside.

Graph- 4.7

Graph showing Secured loans



Interpretation:

The above graph shows that company took money from bank, which it used for wind demo projects. So it aided to increase in the profit of the company. But in the year 2016-17 and 2017-18 there are no secured loans.

Table– 4.8

Table showing Funds from operation

(Rupees in lakhs)

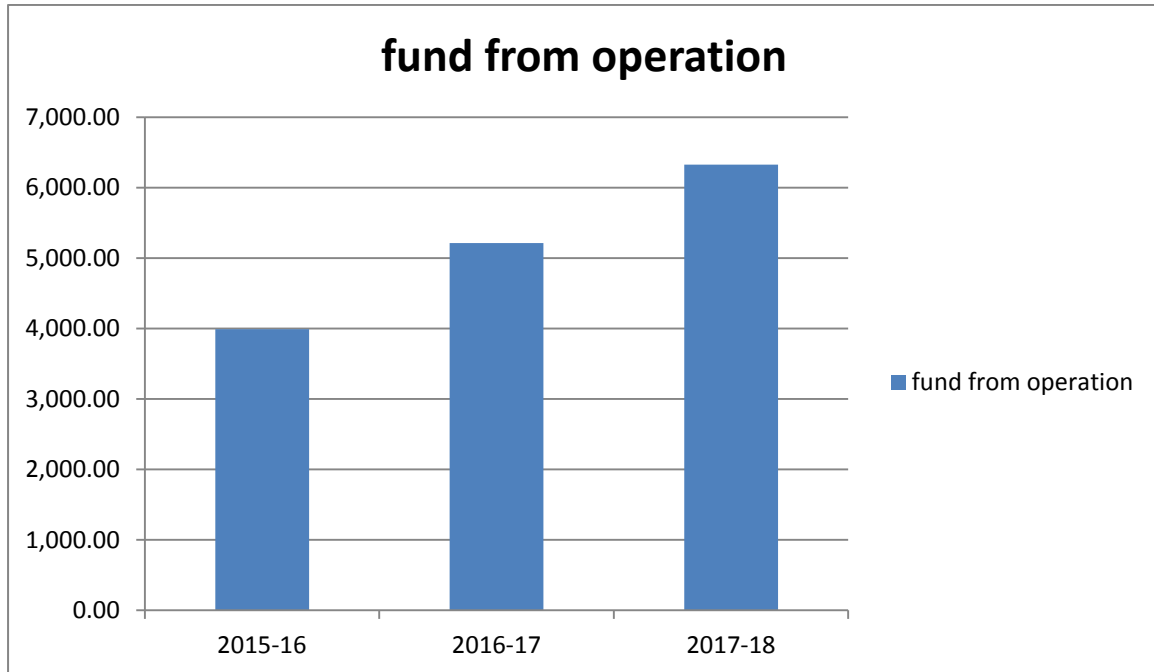
Year	Fund from operation	In Percentage
2015-16	3,992.45	190.11%
2016-17	5,212.87	248.23%
2017-18	6325.62	301.22%

ANALYSIS:

From the above table we can observe that Fund from operation of KREDL. In 2015-16 was 3,992.45 lakhs and again in 2016-17 increased at 5,212.87 lakhs respectively. And in the year 2017-18 it also increased to Rs.6325.62 lakh as a percentage from 248.23 to 301.22%

Graph- 4.8

Graph showing Fund from operation



INTERPRETATION:

The above Graph showing that amount of Fund from operation of the KREDL. Fund from operation are increased every year because it is based on funds inflows and outflows.

Table– 4.9

Table showing the Total Assets to shareholders Fund

(Rupees in lakh)

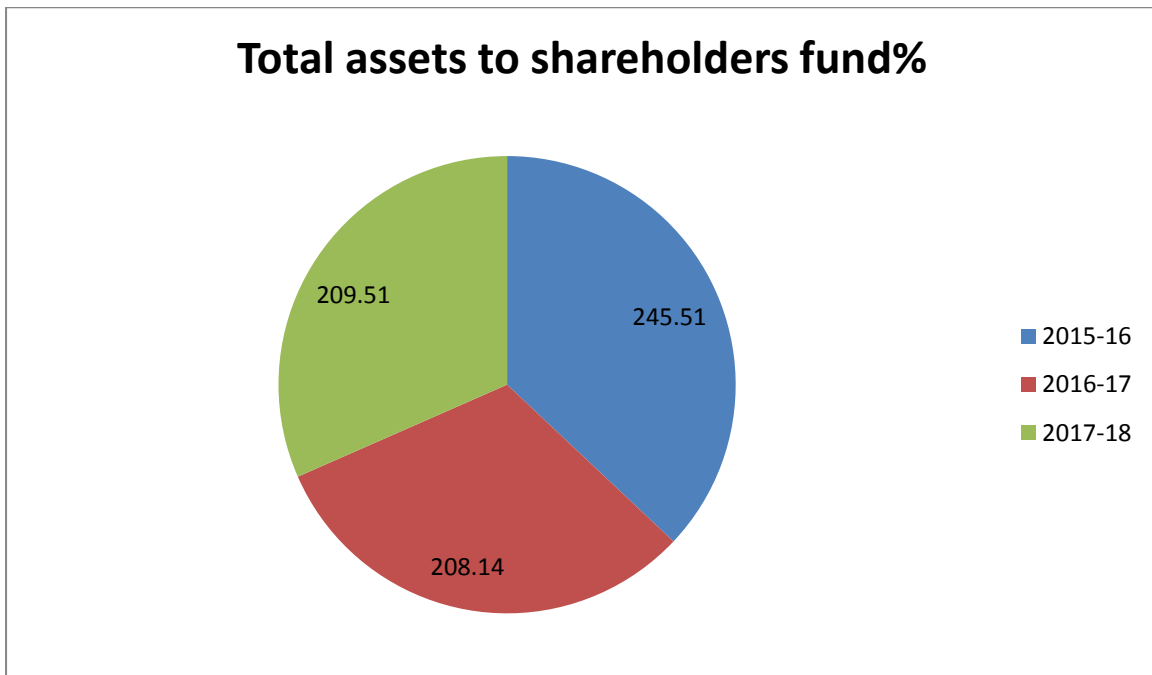
Year	Total assets to shareholders fund (%)	In Percentage
2015-16	245.51	190.11%
2016-17	208.14	248.23%
2017-18	209.51	249.86%

ANALYSIS:

It can be analyzed from the above table that the Total Assets to Shareholders fund ratio is 245.51% in the years 2015-16. Later, it has been decreased to 208.14% in the year 2016-17, in the year 2017-18 shareholders' fund ratio was increased to 209.51%.

Graph– 4.9

Graph showing Total Assets to shareholders Fund



INTERPRETATION:

It can be accessed from the above charts that the company has not utilized its shareholders fund in a proper manner which led to high risk. The total assets to Shareholders fund ratio is 245.51 in the year 2015-16 and gradually it decreased to 208.14% and 208.14 percent in the years 2015-16 and 2016-17 respectively in the case of 2017-18 it again raised.

Table– 4.10

Table showing Net profit

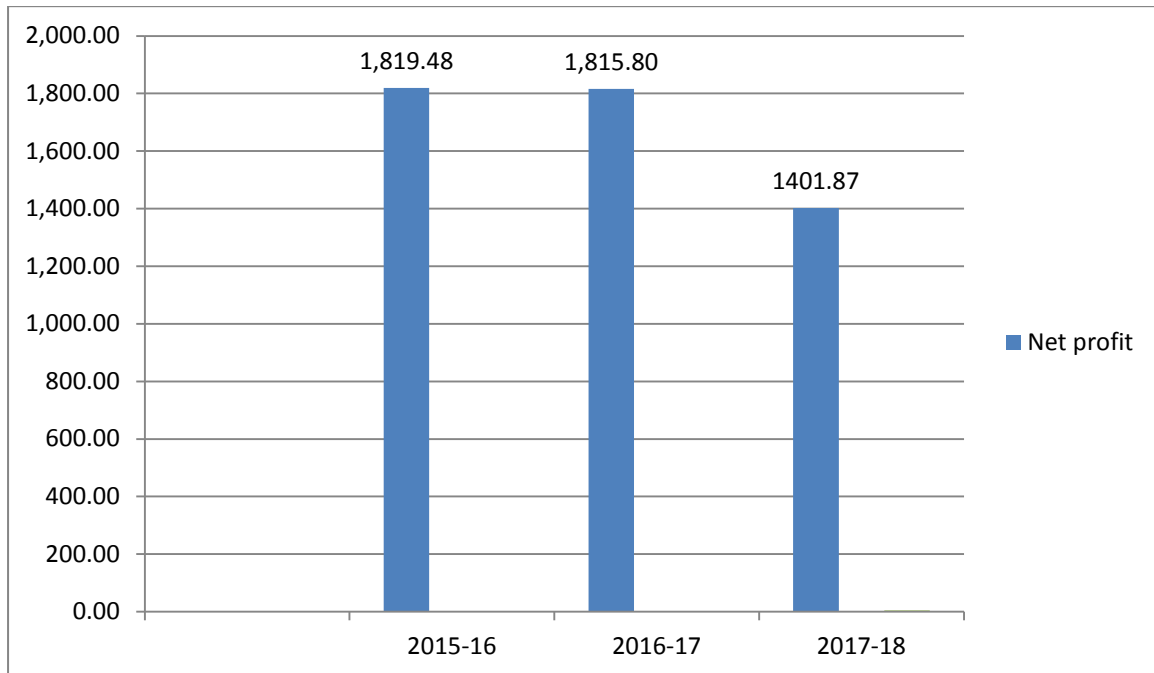
(Rupees in lakhs)

Year	Net profit	In Percentage
2015-16	1,819.48	251.85%
2016-17	1,815.80	251.34%
2017-18	1401.87	194.05%

ANALYSIS:

From the above table it can be clearly noted that the company's Net profit was Rs. 722.42 lakh in the year 2014-15, Rs. 1,819.48 lakhs in the year 2015-16, Rs. 1,815.80 lakhs in the year 2016-17 and in the year 2017-18 net profit was Rs.1401.87.

Graph– 4.10



Graph showing Net profit

INTERPRETATION:

The above graph shows the difference in net profit from the year 2015 to 2018. In the year 2015-16 there was an increase in net profit to Rs,1819.48 lakh, but 2016-17 it decreased to Rs, 1815.80 lakh and Net profit is also decreased to Rs.1401.87 lakh in 2017-18.

CHAPTER-5
FINDINGS, SUGGESTION AND CONCLUSIONS

FINDINGS, SUGGESTION AND CONCLUSIONS

5.1 FINDINGS:

- The company has a strong capital base.
- Reserves and surplus of the company, increased to 5,910.36 lakhs when compared to previous years.
- The assets of this company have grown positively during these years.
- There is a good performance in KREDL from proper utilization of funds, working capital, and depreciation.
- The provisions of the company increased from year to year.
- The KREDL has been maintaining good current assets in the year 2016-17 when it is compared to 2015-16 and 2014-15.
- Fixed assets are minimized to higher extent as the company has decreased its capacity. In 2015-16 it has decreased to 73.45%.
- The company accepting modern equipment's for the new projects.
- The company has increased funds from operation.
- Current liabilities of the firm were increased from 112.62% to 116.92%.
- The KREDL has recorded growth in all the areas under its development action programmed implemented successfully as per government guidelines.
- The company has increased its working capital to meet its requirements of the business.
- No investments made by the company y from the last three years.
- The total asset to shareholder's fund ratio was decreased in the year 2015-16 compared to last year.
- In the year 2015-16 company was not borrowed funds from outside.
- The net profit the company was decreased in the 2015-16 that is from 251.85% to 251.34%.

5.2 SUGGESTION

- The company should be advised to invest on highly liquid assets such as money market instruments.
- The company should take effective measures to improve efficiency and profitability of the company.
 - Proper utilizations of shareholder's fund are needed
 - Though there is increase in profit every year, hence it is suggested to improve its long term solvency and see that this improvement is made every year.
 - It is advisable for the company to reduce the current liabilities.
 - Company can improve further profitability by reducing management cost.
 - Net worth of the company should further increase by creating more and more reserves.
 - The expenses of the company can be minimised by introducing high level technology.
 - The interest paid on borrowings should be decreased by using other means of funds.

5.3 CONCLUSION:

It can be concluded that finance is the backbone, which help in running of economic activity, without funds no business can flourish. Funds are essential in the economy. The business needs both long term and short term finance. KREDL is playing an important role in management of funds from various sources and use the funds for renewable energy development sources. The company is performing very well in every aspect of its dealing. The working capital as well as profit of the bank has hiked up tremendously.

The study on Fund Management at the KREDL has been a great source of knowledge. KREDL mobilizes & deploys its funds in very efficient & systematic way giving a good scope for the growth & development. The company has been flaunting a good financial health & performance.

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- **KREDL Annual Reports**

WEBSITES:

WWW.kredl.kar.nic

WWW.google.com

ANNEXURES

KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED

BALANCE SHEET

Particulars	Note no.	As March 31, 2018	As March 31, 2017	As April, 2016
III. Assets				
3. Non-current assets				
Property plant and equipment	1	59,76,70,511	3,27,99,956	3,71,68,957
Capital work-in-progress	2	29,18,93,040	22,88,50,402	21,48,47,967
Other intangible assets				
Financial assets				
v. Investments	3	13,96,345	50,00,000	50,00,000
vi. Trade receivables				
vii. Loans	4	1,71,40,614	1,90,67,455	2,13,98,133
viii. Other financial assets				
Deferred tax assets				
Other non- current assets				
Total non-current assets		90,81,00,510	28,57,17,813	27,84,15,057
4. Current assets				
Inventories				
Financial assets				
vii. Investments				
viii. Trade receivables	5	10,51,690	8,78,803	11,79,851
ix. Cash and cash equivalents	6	15,00,08,703	8,33,27,833	23,69,25,195

x. Bank balances other than cash and cash equivalents	7	462,90,70,273	587,89,50,457	455,49,85,577
xi. Loans	8	126,99,70,879	----	-----
xii. Other financial assets	9	47,33,00,959	39,14,13,932	39,97,97,230
Other current assets	10	36,15,20,485	35,57,90,409	36,00,75,284
Total current assets		688,49,22,989	671,03,61,434	555,29,63,137
Total assets		779,30,23,499	699,60,79,249	583,13,78,194
II. Equity and liabilities equity				
Equity share capital	11	50,00,300	50,00,300	50,00,300
Other equity	12	219,64,42,342	175,78,85,352	130,62,17,465
IV. Liabilities				
2. Non-current liabilities				
Financial liabilities				
iv. Borrowings				
v. Trade payables				
vi. Other financial liabilities	13	352,43,24,655	296,88,72,848	313,46,08,507
Provisions	14	2,45,94,945	2,27,02,972	2,29,29,277
Deferred tax liabilities (net)	15	61,732,304	26,08,767	42,27,241
Other non-current liabilities				
Total non-current liabilities		334,06,51,904	299,41,84,587	316,17,65,024
2. Current liabilities				
Financial liabilities				
iv. Borrowings				
v. Trade payable	16	47,75,31,755	9,25,66,300	9,16,76,645
vi. Other financial liabilities	17	156,06,32,733	188,61,43,915	122,59,96,220
Other current liabilities	18	20,95,00,000	25,51,00,000	13,88,00,000
Provisions	19	68,68,120	51,98,793	19,22,593
Total current liabilities		225,45,32,608	223,90,09,008	135,83,95,404
Total equity and liabilities		779,30,23,499	699,60,79,247	583,13,78,194



ACHARYA INSTITUTE OF TECHNOLOGY

DEPARTMENT OF MBA

PROJECT (17MBAPR407) -WEEKLY REPORT

NAME OF THE STUDENT: Mili .P. Mathpal

INTERNAL GUIDE: Prof. M Sendhil Kumr

USN: 1AY17MBA28

COMPANY NAME: Karnataka Renewable Energy Development Limited

WEEK	WORK UNDERTAKEN	EXTERNAL GUIDE SIGNATURE	INTERNAL GUIDE SIGNATURE
3 rd Jan 2019 – 9 th Jan 2019	Industry Profile and Company Profile		
10 th Jan 2019 – 17 th Jan 2019	Preparation of Research instrument for data collection		
18 th Jan 2019 – 25 th Jan 2019	Data collection		
26 th Jan 2019 – 2 nd Feb 2019	Analysis and finalization of report		
3 rd Feb 2019 – 9 th Feb 2019	Findings and Suggestions		
10 th Feb 2019 – 16 th Feb 2019	Conclusion and Final Report		

Company Seal

Chief Controller of Finance
KARNATAKA RENEWABLE ENERGY
DEVELOPMENT LIMITED
BANGALORE

College Seal



HOD Signature

Head of the Department
Department of MBA
Acharya Institute of Technology
Jidevanahili, Bangalore-560 107