

CHAPTER - I

METHODOLOGICAL ISSUE

- 1.1 APPROACH TO THE PROBLEMS
- 1.2 OBJECTIVES OF THE STUDY
- 1.3 METHODOLOGY
- 1.4 DATA COLLECTION
- 1.5 SCOPE AND LIMITATIONS OF THE STUDY
- 1.6 ORGANISATION OF THE STUDY
- 1.7 CHAPTER SCHEME OF THE STUDY

CHAPTER - I

METHODOLOGICAL ISSUES

1.1 APPROACH TO THE PROBLEM :

The importance of working capital management is reflected in the fact that financial managers spend a great deal of time in managing current assets and current liabilities. Arranging short term financing, negotiating favourable credit terms, controlling the movement of cash, administering accounts receivable and monitoring the investment in inventories consume a great deal of time of financial managers.

In the organisations run on Co-operative principles, aimed at maximising the welfare of the members, in case of Co-operative sugar factories-Sugar cane cultivators, rather than profit making alone, how financial manager performs his task relating to working capital management, is the area of interest of researcher and therefore the assessment of working capital management in "Panchganga Sahakari Sakhar Karkhana Ltd. Ganganagar, Ichalkaranji." has been undertaken. Beside this, the following also form an important objectives of this study.

1.2 OBJECTIVES OF THE STUDY :

The study entitled as The Study Of working Capital Management In Panchganga Sahakari Sakhar Karkhana Ltd. Ganganagar Ichalkaranji.

is partial fulfillment of the University requirement for the Masters degree leading to M.Phil qualification. The study is undertaken with following specific objectives.

1. To take a rapid review of sugar industry at macro and micro level.
2. To assess the working capital management in the Panchganga Sahakari Sakhar Karkhana Ltd, Ganganagar Ichalkaranji in relation to following factors. :
 - a) Composition of current assets.
 - b) Sources of financing
 - c) Profitability.
3. To analyse the short term financial position with the help of financial ratios highlighting short term financial position of organisation.
4. To suggest ways and means for improving the present working capital management.

1.3 METHODOLOGY :

A case study method of research is adopted for the study in hand where in the organisation is purposefully assumed as a representative sample of the organisations operating on the same line in the region and with this basic assumption the working

capital management has been studied.

For the assessment of working capital management of Panchanganga Sahakari Sakhar Karkhana Ltd. Ganganagar, Ichalkaranji financial ratio analysis technique is utilised.

1.4 DATA COLLECTION :

Essentially the study is based on secondary data available in the form of annual reports of the organisation under the study. To bridge the gap between published information and practice, few informal discussions were held with the chief Accountant of the organisation.

Extensive library research has been undertaken to collect data pertaining to sugar industry published in periodicals available in the libraries of Cnn, Sanehi Central Institute of Business Education and Research, Kolhapur and Shivaji University, Kolhapur.

1.5 SCOPE AND LIMITATIONS OF THE STUDY :

The scope of the study is limited to five years starting from 1981-1982 to 1985-1986. Since the study is based almost entirely on the data available in the financial statements published by the organisation covered under study, it would suffer from the limitation as found in the data available. This can be considered a major constraint of the study.

The internal disputes among the members of the board of directors have made it difficult to obtain financial information particularly to an outsider for any purpose. This must affect the outcome and therefore the conclusions of this extent.

1.6 ORGANISATION OF THE STUDY :

The study is divided into six Chapters. Chapter one deals with methodological issues of the study. Chapter Two gives idea about the sugar industry at macro and micro level. Chapter Three is devoted to the conceptual framework of working capital management in general. Chapter Four deals with organisational profile and highlights the performance during the period covered under study. Chapter Five studies the working capital management of the organisation covered under study and Chapter six provides general observations and conclusions of the study.

1.7 CHAPTER SCHEME OF THE STUDY :

CHAPTER I I : METHODOLOGICAL ISSUES :

- 1.1 Approach to the study
- 1.2 Objectives of the study
- 1.3 Methodology
- 1.4 Data Collection.
- 1.5 Scope and Limitation of the Study.
- 1.6 Organisation of the Study

CHAPTER : II : REVIEW OF SUGAR INDUSTRY IN INDIA

- 2.1 Introduction
- 2.2 Importance of sugar industry in India.
- 2.3 Historical background of Sugar Industry in India.
- 2.4 Problems of Sugar Industry in India.
- 2.5 New Sugar Policy in India.
- 2.6 Sugar Industry in India Before Independence
- 2.7 Sugar Industry in India After Independence.
- 2.8 Co-operative Sugar Industry in India.
- 2.9 Co-operative Sugar Industry in Maharashtra.
- 2.10 Co-operative Sugar Industry in Kolhapur District.

CHAPTER : III : CONCEPTUAL FRAME WORK :

- 3.1 Meaning and Definitions of Working Capital.
- 3.2 Need and Importance of Working Capital.
- 3.3 Factors Determining the Working Capital.
- 3.4 Principles of Working Capital Management
- 3.5 Sources of Working Capital
- 3.6 Assessment of Working Capital Management

CHAPTER : IV : PROFILE OF THE ORGANISATION :

- 4.1 Introduction
- 4.2 Location and climate of Ichalkaranji.

- 4.3 Historical Background of Ichalkaranji Town.
- 4.4 Formation of The Factory.
- 4.5 General Performance of P.S.S.K.G.

CHAPTER : V : DATA ANALYSIS :

- 5.1 Composition of Current Assets and Current Liabilities.
- 5.2 Borrowing i.e. Other Sources of working Capital.
- 5.3 Computation of working capital i.e. Gross and Net.
- 5.4 Assessment of working Capital

CHAPTER : VI : OBSERVATIONS AND SUGGESTIONS OF THE STUDY :

- 6.1 Observation of the Study.
- 6.2 Suggestions of the Study.