

## EXECUTIVE SUMMARY

**An executive summary of the final report of work done on the minor research project of Mr. Manoj Dyson Fernandes entitled “ A study on Working capital management in Campco ltd” sanctioned by UGC ,vide sanction letter no 1431-MRP/14-15/KAMA002/UGC/SWRO dated 4-2-15.**

Management of working capital is an extremely important area of financial management as current assets represent more than half of the total assets of a business. A fixed asset essential for a business organization does not by itself produce revenue or income. Therefore working capital is needed for utilizing the productive capacity of fixed capital. For shortage of working capital the enterprise would suffer reduction in earnings due to production capacity remaining unutilized, while excess working capital leads to extra cost for want of productive capacity. Thus, the amount of working capital in every enterprise whether manufacturing or non- manufacturing, should neither be more nor less than what is actually required. The management has to see that funds invested as working capital in this organization earn more as much as they could have earned if invested anywhere else.

An enterprise should maintain optimum amount of working capital so as to carry on the productive and distributive activities smoothly. While, the determination of optimum level of working capital involves fundamental decision to an organization's liquidity, which in turn is influenced by a tradeoff between profitability and liquidity. Thus, the main objective of working capital management is to arrange the needed amount of working capital at right time, from right source, and for the right period.

The scope of the study is confined mainly to highlighting the working capital management of CAMPCO Ltd. It will give an in-depth theoretical and practical knowledge about working capital management. It will also provide information to the management about efficient utilization of all resources. Thus the project gives immense benefits to both the researcher and organization to gain in depth knowledge about working capital management.

The study of working capital management in CAMPCO limited is carried out to know how efficiently the working capital is managed in CAMPCO. The turnover of current

assets employed by CAMPCO indicates that Campco efficiently used its working capital funds, which happens to most important factor for the running of business enterprise with normal profits.

The basic objective of working capital management is to have a balanced liquidity position. The company has a good working capital during all the year of its operation. This indicates the company's good liquidity position. This is also made clear by the current asset ratio, which is greater than one in all the years. It means that the investment in current assets is more sufficient to meet its obligations.

The company facing the problem because of competition, it incurred more expenses on marketing and production. There an over blocking of an assets of the company and lack of planning in plant utilization and material planning under utilization of resources.

A company can increase its profitability through proper management of working capital and needs again better management will lead to lower investment cost and higher profits. Working capital management is the measure if judging company's profitability. Today working capital management plays an important role in the management of business. Hence the company should spend a great deal of time in managing current assets and current liabilities.

The recent move of various state government of restrict 'Gutka' will adversely affect the areca growing community. Since areas is the main ingredient of gutka.

Thus, the study of working capital management in CAMPCO is carried out analyze the problem in working capital management and try to reach out some conclusion, so as to reduce the high cost in working capital management.