Preface

Working capital is the heart in human body. Funds are needed in every concern for carrying on day to day operations. The importance of working capital in any industrial concern need not be overemphasized. It is judged from the fact that many a time the main cause of failure of business concern has been found to shortage of working capital and mistreatment of the same. Inadequate working capital is a serious handicap in business. So, the amount of working capital of a concern should be neither more nor less than what is actually required. The main objective of working capital management is to arrange the needed funds at right time, from right source and for the right period so that a tradeoff between liquidity and profitability may be realized.

Pharmaceutical industry is the backbone of economic growth. From the point of view of the socio economic development of the country, Pharmaceutical industry is significant enough in terms of investment, employment and exports etc.. The management of working capital becomes less efficient in Pharmaceutical industry due to holding huge inventories, lower turnover, low debtors turnover and their slow recovery and holding large cash idle cash balances etc., These problems have always highlighted the need for a comprehensive study in the field of Working Capital Management. The present study, which is exploratory in nature, aims at analyzing the Working Capital Management of the Pharmaceutical Industry in India over a period of ten years covering from 2002-03 to 2011-12. It is, however, broadly divided into two parts. The first part of the study is theoretical in nature, and it is further divided into four chapters. Chapter 1 contains Introduction- Working Capital Management- A Theoretical Review, Chapter 2 covers Profile of pharmaceutical industry in India and Andhra Pradesh, Chapter 3 deals with Working Capital Management – A Review of Literature Research, Chapter 4 deals with Objectives and methodology of study adopted in the collection and analysis of data. It covers the objectives and scope of the study, nature and sources of data required for the study, methods followed for the selection of sample, techniques and analysis, hypothesis set for the study, limitations of the study. However, the second part of the study is analytical in nature which is further divided into four chapters, namely chapter 5, 6, 7 and 8. Chapter 5 deals with the Structure, Sources and Utilisation of Working Capital. Chapter 6 covers Empirical Analysis of Working Capital Management, Chapter 7 covers
the working capital practices of pharmaceutical companies while the Summary of findings and Suggestions is included in Chapter 8.

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