

## **PREFACE**

Sugar industry, one of the major agro-based industries in India, has been instrumental in resource mobilization, employment generation, income generation and creating social infrastructure in rural areas. Indeed, sugar industry has facilitated and accelerated pace of rural industrialization. It was India which began producing sugar following the process of pressing sugarcane to extract juice and boil it to get crystals.

Every enterprise needs inventory for smooth running of its activities. It serves as a link between production and distribution processes. There is, generally a time lag between the recognition of a need and its fulfillment. The greater the time-lag, the higher is the requirements for inventory. The unforeseen fluctuations in demand and supply of goods also necessitate the need for inventory. It also provides cushion for future price fluctuations.

Possessing a high amount of inventory for long periods of time is not usually good for a business, because there are inventory storage, obsolescence and spoilage costs. However,

possessing not enough inventory isn't good either, because the business runs the risk of losing out on potential sales and potential market share as well.

In the present work, an attempt has been made to explain, analyze & compare the inventory management in select sugar mills in Northern India. It is critical to keep sufficient inventory in today's ever increasing competitive environment to cope up the not only present but future demand also. In spite of having tremendous importance, the subject has remained academically, almost unexplored in India. Various studies have been conducted but these were restricted to an overall analysis of working capital management only. No comprehensive study has, so far, been conducted to study Inventory Management, which is essentially a vital segment of working capital. The present study is aimed at filling up this gap in existing literature.

This research work is a generous effort to bring to the surface those untouched aspects of Inventory management of select sugar mills which would be of great help to those who are interested in this field.

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