Preface

Capital Budgeting in Large Industries of Kanpur is premised on the hypothesis that the long term investment is enshrouded with risk emanating from the fast changing business milieu. Traditionally, capital budgeting has been conceived and practised for static business conditions by adjusting the income flows with certain margin of risk as perceived by the management. The investors perception had no place. The thesis pursues the risk perception of the investors matching with the risk that the management perceives while undertaking capital budgeting in the context of global principles and practices. The Net Present Value (NPV) method, risk, income and cost analysis, the challenges and responses of capital market and money market have all been fused together in the treatment of the subject in this thesis. The cases to substantiate the hypothesis have their relevance to capital budgeting by any corporations of any size. The logic is sound as tested in this thesis while dealing with the problems of the capital budgeting on a limited scale, viz. large industries of Kanpur. The discussion has taken advantage of the existing
formulations by adding to the parameters the new variables 

to suit the dynamic business world which is likely to take 
shape in the 21st century and beyond.

**Scheme of chapterisation (A Preview):**

The present thesis has been divided into six chapters. The **First Chapter** entitled *Large Industries in India The Historical Perspective with Special Reference to Kanpur (U.P.)* presents a synoptic view as regards the growth and development of large industries in India in general and large industries of Kanpur in particular right from the inception of the planning era.

The **Second Chapter** entitled *Research and Design*. furnishes a framework of the study comprising statement of problems, objectives, hypothesis, scope, limitations and research methodology of the study. The concept of capital budgeting and its approach to the present study has also been dealt with in this chapter.

The **Third Chapter** entitled *Cost Analysis of Capital For Capital Budgeting of Large Industries of Kanpur*, brings forth the incisive analysis of cost of
equity capital, loans and overall cost of capital. It also deals with the impact on the value of the share of the large industries, of Kanpur.

The Fourth Chapter has thrown light on the risk-return analysis for capital budgeting of large industries of Kanpur with special focus on LML Ltd. and J.K. Jute Mills Co. Ltd.

The Fifth Chapter deals with the study of Net Present Value (NPV) of large industries of Kanpur. The chapter has highlighted the impact of capital budgeting on Net Present Value of large industries of Kanpur with special reference to LML Ltd. and J.K. Jute Mills Co. Ltd. The Final Chapter presents summary of the conclusions and findings together with suggestions to resolve the entangle of cost-income-risk inherent in Capital Budgeting in large industries of Kanpur.