Public enterprises have become a spectacular phenomenon in the twentieth century. Today, there is hardly any country in the world where the government is not directly engaged in the promotion and management of the business enterprises. In the developing countries, the state-owned enterprises are conceived as instruments of socio-economic transformation. After the advent of independence, public enterprises in India, have grown phenomenally in terms of their number, investment, employment, production, export earnings, etc. and they have undoubtedly, attended the "Commanding heights" of its economy.

In spite of its unprecedented growth and achievements, the public sector in India is being criticised heavily for its non-performance, particularly from the fiscal point of view. With the adoption of the "New Industrial Policy" on the 24th July, 1991, there has been a move for liberalisation/globalisation of the Indian economy. Consequently, PEs are required to face more challenges. They have to improve their image, productivity, efficiency and competitiveness and refrain from dependence on the state exchequer. Not surprisingly, therefore, the public sector has become a paradise for the researchers and efforts are being made to enhance its performance. But, most of the studies have concentrated on the central level public enterprises and the dismal performance of innumerable state level public enterprises is going almost unnoticed. Very few
In-depth studies have been undertaken on the functioning of the SLPEs in Orissa, although a majority of these enterprises are running on perpetual losses and have reached at a stage of jeopardising the very existence of the concept of the Public Sector System. Under these circumstances, there was a dire necessity of conducting analytical studies on the various functions of these enterprises, so that the meagre resources of the state can be utilised effectively. This study is an attempt to highlight the problems of the working capital management in the public enterprises of Orissa with special reference to manufacturing organisations. Besides studying the quantum of working capital required, in relation to their operational needs, the structural aspects covering cash, receivables, inventory and working finance have been analysed in detail, to identify the weaknesses in the management of working capital. Suggestions have also been offered to bring about the desired improvement in the prevailing situation. If they are implemented, they would go a long way in ameliorating the present plight of the SLPEs in Orissa.

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