Working Capital Management And Profitability In The IT And Telecom Industry In India

** Prof. D. P. Singh*

INTRODUCTION

Working Capital Turnover : Working capital turnover ratio is the relationship between cost of sales and net working capital. Working capital has a close and working relationship with cost of goods sold. And ,therefore, we can infer that this ratio represents a measure of efficiency or affectivity of working capital. This can be computed as follows :

Working Capital Ratio= Net Sale/Net Working Capital

A high or increasing working capital turnover is normally a healthy positive sign, which explains that the company is better capable to generate sales from its working capital. There can be two arguments that whether a company has been able to make more sales from the same amount of working capital, or it has been able to reduce its working capital without affecting the sales (P C Narvare-Finance). A favorable ratio will depict the efforts of a company to streamline its operations. Working capital has utmost importance in analyzing business operations, both internally and externally. Inadequacy or mismanagement of working capital leads to business failure. Hence, working capital turnover ratio is one of the best measures to analyze the efficiency of a firm in managing working capital. The faster the working capital turnover, the lower is the total investment and ,therefore, the higher is the profit. However, a very high turnover of working capital may denote deficiency of working funds, which finally affects profitability of the firm adversely.

Current Ratio : This is a liquidity ratio that measures a company's ability to pay short-term obligations (debt or payables), with its short-term asset (cash, inventory, and receivables) during the next 12 month. Current ratio is also known as liquidity ratio, cash asset ratio and cash ratio. A ratio under 1 suggests that the company would be unable to pay off its obligations. The definition of current ratio will be as follows:

Current Ratio= Total Current Asset/(Total Current Liabilities+ Interest Bearing Liabilities)**

**Total current liabilities actually should include the interest bearing liabilities.

Actually, management efficiency lies in deriving a trade-off between current asset and current liabilities. If we maintain a current ratio less than one, there is a risk of not paying short term liabilities falling due. If we maintain a current ratio of more than one, there is risk of the fund tied-up unused in the current asset, which otherwise could earn more profitability for the company. We analyze this efficiency of management striking a trade-off to maximize profitability of the company. Hence, current ratio is the function of profitability, and the researcher has taken this as an independent variable in this study to analyze the effect of working capital management on the profitability of the companies across the IT and telecom industries.

Sales To Asset Ratio: Sales to the total asset ratio (STAR) is the measure of efficiency of total assets in generating sales. This is the overall efficiency ratio. Total assets include sum of all cash, investments, furniture fixture, equipment receivables, intangibles and any other items of value owned by a company. Actually, this is the sum of current assets and long-term assets, as the current asset is a very important constituent of total assets. Hence, this ratio will represent the affectivity of the current assets. This is defined as follows :

Sales To Total Asset Ratio (STAR)= Net Sales/ Total asset

Sales to the total asset ratio is a metric of judging the effectiveness of the total assets employed to generate the sales, and will affect the profitability of the company. As STAR is a function of profitability of a company, the researcher has taken this variable as an independent variable. The researcher took STAR as an independent variable because all efforts of an organization are directed to achieve the highest turnover. Hence, this explains that how a company's total assets have performed to achieve sales, which have contributed towards profitability. This is the right measure as it

* *Dean Academics,* IILM Business School, New Delhi-110044. E-mail : prof.d.p.singh@gmail.com

represents as to how a company's various functional departments have finally contributed towards achieving a company's goal. Past researchers actually ignored this variable, but the present researcher has deliberatively chosen this variable as it is a significant function of a company's profitability. This ratio has a great relevance in finding the return on capital employed, because total assets involve short-term (current asset) assets and need to be investigated in detail.

❁**Cash Conversion Cycle And Its Components :** The cash conversion cycle (CCC) is used as a comprehensive measure of working capital management, and is taken as another independent variable. Investopedia definition of a cash conversion cycle is *"a metric that expresses the length of time, in days that it takes for a company to convert resource inputs into cash flows. This metric looks at the amount of time needed to sale inventory, the amount of time needed to collect receivables, and the length of time the company is afforded to pay its bills without incurring penalties."* This is also known as cash cycle and is calculated as :

CCC= DIO+ DSO- DPO

Where,
DIO= Day's inventory outstanding; DSO= Days sales outstanding; DPO= Day's payable outstanding.

❁**Day's Inventory Outstanding :** DIO is defined as how many days it takes to sale the entire inventory. And is computed as

DIO= Average inventory/COGS per day

Average inventory= (Beginning inventory+ ending inventory)/2
GOGS per day= COGS/ 365
Gross profit (also called profit margin or gross margin) is the difference between net sales and cost of goods sold. Actually, when the goods are sold, the cost of inventory becomes an expense, which is called cost of goods sold (COGS). Hence COGS is computed as
COGS= Net sales-Gross profit, however, DIO is defined as

DIO= [365*(Beginning Inventory+ Ending Inventory)] / [2*(Net Sales-gross Profit)]

For DIO, the small is better. Hence, finally we have ROCE as a *dependent variable* and seven independent variables. The independent variables are *working capital turnover, current ratio, sales to total asset ratio, day's inventory outstanding.*

LITERATURE REVIEW

In the past, a lot of research has been conducted to investigate the relationship between working capital management and profitability of the firm in different environments. Shin and Soenen (1998) used a sample of 58,985 firms' years covering the period 1975-1994 in order to investigate the relationship between net-trade cycle, which was used as a measure of working capital management efficiency and corporate profitability. He observed a strong negative relationship between the length of net-trade cycle and its profitability.
Deloof (2003) made an investigation for the relationship between working capital management and corporate profitability. He used a sample of 1009 large Belgium non-financial firms for the period from 1992 to 1996. The results showed a negative relationship between gross operating income, a measure of corporate profitability, and cash conversion cycle, as well as day's account receivable and inventories. Lazaridis and Tryfonidis (2006) also investigated the relationship between working capital management and corporate profitability for the firms listed in the Athens Stock Exchange for a sample of 131 listed companies. Researchers used the company financials from 2001-2004 for the study. The results of the study of regression analysis showed that there was a statistically significant relationship between gross operating profit, a measure of profitability and the cash conversion cycle. He suggested that by optimizing the cash conversion cycle, the managers could create value for the shareholders.
M. A. Zariyawati, M. N. Annuar, and A. S. Abdul Rahim investigated the relationship between working capital management and profitability of the firm. The researchers used the cash conversion cycle as a measure of working capital management. This study has used a panel data of 1628 firms' years for a period of 1996 to 2006. The coefficient results of pooled OLS regression analysis provide a strong negative significant relationship between cash conversion cycle and profitability of the firms. It is revealed that by reducing the conversion cycle, a firm's profitability can be increased. Raheman and Nasr (2007) also investigated the relationship between cash conversion cycle, and its

components by taking a sample of 94 firms listed on the Karachi Stock Exchange for a period of six years from 1999-2004. He investigated that cash conversion cycle is negatively related to net operating profit, which is a measure of profitability. Similar relationship was observed for the collection period, inventory turnover in days, and average payment period.

Lyroudi and Lazaridis (2000) considered cash conversion cycle as a measure of the liquidity for the firms in the Greek food industry. They examined the relationship of a cash conversion cycle with current and quick ratio. The researchers examined the implications of the cash conversion cycle in terms of profitability, indebtedness and firm size. The outcome of the study was a significant positive relationship between the cash conversion cycle, and the traditional liquidity measures of current and quick ratios. Wang (2002) made a study for the firms in Japan and Taiwan to find a relationship between liquidity management and operating performance. He also investigated the relationship between liquidity management and corporate value of firms. The empirical findings for both countries show a negative relationship between CCC and ROA, and CCC and ROE. These results were in line with Jose et al. (1996) and Shin and Soenen (1998) that lower cash conversion cycle corresponds with better operating performance. Further, in case of both countries, it was investigated that aggressive liquidity management is associated with higher corporate value. Eljelly (2004) empirically investigated the relationship between profitability and liquidity for sample firms in Saudi Arabia. The researcher took cash gap and current ratio as a measure of liquidity. Using correlation and regression analysis, a negative relationship was investigated between liquidity and profitability, where current ratio was taken as a measure of liquidity. At the company level, it was observed that the cash gap (cash conversion cycle) is more important as a measure of liquidity than the current ratio as a measure of liquidity that affects profitability. At the industry level, it was observed that size has a significant effect on profitability.

Padachi (2006) investigated the working capital management practices for the manufacturing firms in Mauritius by taking a sample of 58 small firms. The researcher examined the trends in working capital management and its impact on performance. Regression results observed a negative relationship between inventories and receivables with profitability. The study has also shown a positive relationship between various working capital components and profitability. An increasing trend was observed in the short-term component of working capital financing. Garcia-Teruel and Martinez-Solano (2007) examined the effect of working capital management on profitability for small and medium sized Spanish firms for the first time. Using panel data, the authors revealed that there is a negative relationship between inventories and days' account outstanding and profitability. The authors further concluded that by managing working capital such that the cash conversion cycle is reasonably minimum, the managers can create value for SMEs. Samiloglu and Demirgunes (2008) examined the effect of working capital management on the profitability of the firms listed on the Istanbul Stock Exchange (ISE). By using multiple regression, the study shows that there exists a negative relationship between accounts receivables period, inventory period, and leverage and profitability of the firms. However, growth (in sales) affects the firms positively.

WORKING CAPITAL MANAGEMENT IN INFORMATION TECHNOLOGY (IT) HARDWARE INDUSTRY

The Computer hardware industry is a price sensitive/competitive industry and rate of obsolescence is extremely high. The requirements of the industry are fast changing. So, it is required to maintain inventory levels very accurately and judiciously to avoid inventory obsolescence. Excessive inventory will adversely affect the profitability of the company. It is required to have working capital policies suiting the computer hardware industry. A very meticulous technology management practice has to be implemented in the companies. All companies to be successful need to fine tune, streamline and improve their working capital practices.

It is required to investigate and identify which of the liquidity or efficiency ratios are underperforming relative to the industry standards. The roots of the problems of all underperforming enterprises are traced in the working capital management and investments. Working capital is the fund which finances the funding of the day-to-day running of a business. Working capital levels tend to fluctuate with the level of activity, and short-term performance of the industry. The working capital requirements are not just bank balances, they are composed of investments in stocks, debtors and creditors. Measure of efficiency of working capital involves careful timing for when you pay suppliers, and collect from your customers. A close working on credit terms can significantly affect the working capital.

WORKING CAPITAL MANAGEMENT IN THE TELECOMMUNICATIONS HARDWARE INDUSTRY

The Indian telecom hardware industry is a growing industry and efficient management of working capital is vital. Cash management, inventory management, and trade credit management affects the working capital management. The telecommunication industry is characterized by high intensive working capital requirements and high competition because of rapid technological changes, which make working capital management crucial to bring attractive earnings to shareholders (Vedavinayagam Ganesan). Researchers need to work out various relationships relating to working capital management efficiency and profitability. It is very important to know as to how the performance of working capital is doing for the telecom industry. India really needs to convert itself from a resource-based management to a knowledge-based management.

OBJECTIVE, THEORIZATION & DEVELOPMENT OF HYPOTHESES

The **objective of the study** is as follows :

❁ To investigate the relation between components of working capital ratios and profitability.

To attain the above objective, the author will theorize the relationship between different components of working capital management and profitability.

❁ **Hypothesis 1 :** When net working capital decreases, the working capital turnover increases if we look at the definition described in the introduction. We know that by reducing net working capital to a minimum, we can optimize profits of a company. Therefore, there should be a positive relationship between working capital turnover and profitability of a firm. To investigate the developed theory, the researcher makes an independently testable hypothesis as :

❁ **There should be a positive relationship between working capital turnover and profitability of a firm in the IT and telecom industry in India.**

To operationalize the above hypothesis, the researcher proposes the following null and alternative hypothesis :

H01: There exists no relationship between working capital turnover and profitability of a firm in the IT and telecom industry.

H11: There exists a possible positive relationship between working capital turnover and profitability of a firm in the IT and telecom industry.

❁ **Hypothesis 2**

H02: There exists no relationship between the current ratio and profitability of the firm in the IT and telecom industry.

H12: There exists a possible positive relationship between the current ratio and the profitability of the firm in the IT and telecom industry.

❁ **Hypothesis 3**

H03: There is no relationship between days' inventory outstanding and profitability in the IT and telecom industry.

H13: There is a possible negative relationship between day's inventory outstanding and profitability of the firms in the IT and telecom Industry.

❁ **Hypothesis 4**

H04: There exists no relationship between sales to total asset ratio, and profitability of the firm in the IT and telecom industry.

H14: There exists a possible positive relationship between sales to total asset ratio in the IT and telecom industry.

DATA AND VARIABLES: SAMPLE AND DATA

The researcher has considered return on capital employed as a measure of profitability, which is a dependent variable. Working capital turnover, current ratio, sales to total asset ratio and day's inventory outstanding have been taken as independent variables. The researcher selected 11 companies randomly belonging to the IT and the telecom sector. All companies selected are listed on the National Stock Exchange in India and the financial data is available authentically.

The researcher collected the data from EMIS (Emerging Market Information Service) for twelve years from 1999-2010.

METHODOLOGY: RESULTS AND INTERPRETATIONS

❁ Descriptive Statistics For The IT And Telecom Industry And Interpretation : Table 1 shows the descriptive statistics for the IT and telecom industry. Financials for 12 years for 11 IT and telecom companies were considered for the study. Total observations are 11*12=132 firm year's observations.

Table 1 : Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROCE	132	-49.32	54.51	8.4176	15.19709
WCT	132	-14.3	50.0	3.731	6.1765
CR	132	.02	20.96	3.5960	3.06258
DIO	132	7.37	358.72	74.8121	63.27205
STAR	132	.07	10.93	1.6981	1.59178
Valid N (listwise)	132				

Mean value of ROCE for the firms in information technology and telecom industry was 8.42, and the standard deviation was 15.20. Minimum and maximum values were -49.32 and 54.51. The Indian all industry average was 14.15. On comparison, it was observed that on an average, the return on capital employed was very low when compared with the Indian average. Average working capital turnover for the IT and telecom industry was 3.37, and the standard deviation was 6.18. The minimum and maximum values for the IT and telecom industry were -14.3 and 50. The Indian average was 8.6. Hence, it is evident that the working capital turnover was poor during the study period and the industry was not managing its working capital efficiently. This may be the reason that there are not many companies operating in the Indian IT and telecom manufacturing industry. Average value of current ratio for the firms in the IT and telecom industry was 3.60, and the standard deviation was 6.18. The minimum and maximum values for the current ratios were 0.02 and 20.96. Current ratio average for the manufacturing firms in India was 2.71. The liquidity for IT industry and telecom firms was ok, and there was a low risk of a company going sick, of course, on the cost of profitability. Day's inventory average for IT and telecom industry was 75 days, and standard deviation was 35 days. The minimum and maximum values for the industry were 07 and 359 days. The average for the Indian industry was 56 days. It is evident that the IT and telecom industry is not well managed and is holding inventory for a longer period, affecting profitability of the firms in the IT and telecommunication industry in India. Average for sales to the total asset ratio was 1.70, and the standard deviation was 1.59. Minimum and maximum values for the sales to the total asset ratio were .07, and 10.93. The Indian industry average was 1.75. Looking at the data, it can be inferred that the IT and telecom firms are not very profitable because sales to total asset ratio is poorer in case of information technology and the telecom industry. The ratio indicates a low one, suggesting a poor return on total assets for the net sales. This is because of the fact the industry is in competition with imports.

CORRELATION ANALYSIS

❁ Pearson Correlation Coefficient For The IT And Telecom Industry : Table 2 shows the correlation coefficient for the firms in the IT and telecom industry in India. In all, 11 companies were covered in the study, and the financials for 12 years from the year 1999 to 2010 had been taken. In all, there are 11*12=132 firm year observations. Working capital turnover is positively related with return on capital employed. Correlation coefficient was 0.210, and the p-value was (0.016). The relation was significant at 5%. Therefore, the null hypothesis is rejected as there is a significant positive relationship between working capital turnover and return on capital employed. It means that we accept that more working capital turns will result in higher return on capital employed, which is a measure of profitability. There is a positive relationship between current ratio and return on capital employed. The correlation coefficient was 0.015, and the p-value was (.860), showing that the result is not significant. We accept the null hypothesis and ,therefore, reject the alternative hypothesis.

Table 2 : Pearson Correlation Matrix

		ROCE	WCT	CR	DIO	STAR
ROCE	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	132				
WCT	Pearson Correlation	.210*	1			
	Sig. (2-tailed)	.016				
	N	132	132			
CR	Pearson Correlation	.015	-.164	1		
	Sig. (2-tailed)	.860	.060			
	N	132	132	132		
DIO	Pearson Correlation	-.532**	-.132	.027	1	
	Sig. (2-tailed)	.000	.132	.762		
	N	132	132	132	132	
STAR	Pearson Correlation	.570**	.369**	-.092	-.391**	1
	Sig. (2-tailed)	.000	.000	.296	.000	
	N	132	132	132	132	132

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

The Day's inventory was negatively related with return on capital employed. The Correlation coefficient was -0.532, and the p-value was (000). The result was significant at 1%. The researcher rejects the null hypothesis and accepts the alternative hypothesis that lower days' inventory outstanding leads to higher profitability. For the IT and telecom industry, there is a positive relationship between sales to total asset ratio, and return on capital employed. Correlation coefficient was 0.570, and p-value was (000). The result was significant at 1%. Therefore, the null hypothesis is rejected and the alternative hypothesis - that higher sales to total asset ratio leads to higher profitability - is accepted .

❁**Regression Model: Pooled Observations (Cross Section And Time-series) :** Determinations of return on capital employed - a measure of profitability was investigated for all 132 firm year observations. The model that the researcher applied is as follows (Refer to table 3) :

ROCE (*it*)=a+b(WCT*it*)+c(CR*it*)+d(DIO*it*)+e(STAR*it*)+error term

The result of this regression shows that the coefficient of working capital turnover is positive. It implies that working capital turnover affects the profitability of a firm positively. This confirms the hypothesis that working capital turnover affects profitability of a firm positively. Similarly, current ratio affects profitability of a firm positively. However, it is not significant and the researcher accepts the null hypothesis that there is no relation between current ratio and profitability of a firm in the IT and the telecom industry. The researcher observes a negative coefficient of days' inventory outstanding. It implies that the DIO affects profitability negatively, and this relationship is highly significant at 1%. Therefore, this confirms the hypothesis that there is an inverse relationship between days' inventory outstanding, and return on capital employed. Similarly, sales to the total asset ratio shows a significant positive relationship with profitability. It reflects that if the ratio increases, the profitability of a firm from the IT and telecom industry will increase. Adjusted R square - also called as the coefficient of multiple determinations is the percentage of variance in the dependent variable, explained uniquely or jointly by the independent variables and was 42.43%. C is a constant, where the regression line intercepts the y-axis, representing the amount of the dependent variable y will be when all the independent variables are zero. Here, this constant is 6.683, and the probability of the significant is significant (0.013). The F statistic is used to test the significance of R. Overall, the model is significant as F-statistics was 25.14.

Table 3 : Regression Model								
Regression Statistics								
Multiple R	0.66474							
R Square	0.441879							
Adjusted Square	0.4243							
Standard Error	11.53077							
Observations	132							
ANOVA								
	df	**SS**	**MS**	**F**	**Significance F**			
Regression	4	13368.89	3342.23	25.1373	2.4E-15			
Residual	127	16885.76	132.957					
Total	131	30254.65						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	6.682731	2.66135	2.51103	0.0133	1.416399	11.9496	1.41639	11.9496
WCT	0.036319	0.17731	0.20483	0.8381	-0.31455	0.38715	0.31455	0.38715
CR	0.331766	0.33362	0.994288	0.3213	-0.32851	0.99203	-0.32851	0.99203
DIO	-0.08741	0.01735	-5.05104	1.4906	-0.12165	-0.05316	-0.12165	-0.05316
STAR	4.090094	0.73428	5.570758	1.4507	2.637229	5.5428	2.63729	5.5428

LIMITATIONS OF THE STUDY

The study solely depends on the published financial data, so it is subject to all limitations that are inherent in the condensed published financial statements. The researcher considered some operational firms in the study sample and did not consider the entire operating unit as a sample, which may leave some grounds for error.

SUGGESTIONS FOR FUTURE RESEARCH

The study can be further taken up to investigate the relationship for other important industries in India and other countries. Furthermore, the study can be extended to develop a model which will explain how working capital management impacts profitability.

CONCLUSION

It was observed that the telecom industry is operating below average so far as working capital management is concerned. The profitability was 40% when it was compared with the all India all manufacturing average. In the IT and the telecom industry, working capital turnover, current ratio, sales to total asset ratio were positively related to profitability. However, days inventory were negatively related to profitability. Current ratio relationship with profitability was a departure from the past studies.

REFERENCES

1. Autocorrelation Notes_3, GEOS 585A, spring 2009.
2. Ashish K. Bhattacharya (2007). *"Financial Accounting For Business Managers"* . Prentice Hall of India Private Limited, New Delhi.
3. Appuhami B. A Rajnith (2008). "The Impact Of Firms' Capital Expenditure On Working Capital Management: An Empirical Studies Across Industries In Malaysia." *International Management Review*, Vol. 4 , No. 1.
4. Charles T. Horngren, Gary L Sudem, John A Elliot. *"Introduction To Financial Accounting"* . Eighth Edition , Pearson Education (Singapore) Pvt. Limited.
5. Uyar Ali (2009). "The Relationship Of Cash Conversion Cycle With Firm Size And Profitability: An Empirical Investigation In Turkey". *International Research Journal Of Finance And Economics,* Issue 24.
6. Dong Huynh Phuong and Su Jyh-Tay (2010). "The Relationship Between Working Capital Management And Profitability: A Vietnam Case" *International Research Journal Of Finance And Economics*, Issue 49 .
7. E W Walker (1935). *"Essentials Of Fundamental Management"*. Prentice Hall Inc, New Delhi.
8. Eljelly Abuzar M. A. (2004). "Liquidity-profitability Tradeoff: An Empirical Investigation In An Emerging Market". *IJCM,* Vol 14, No. 2, p.48.

9. Falope OI, Ajilore OT (2009). "Working capital management and corporate profitability: Evidence from panel data analysis of selected quoted companies in Nigeria." *Research Journal Of Business Management,* Volume 3, pp. 73-84.
10. Ganesan Vedavinayagam (2007). "An analysis of working capital management efficiency in telecommunication industry" . *River Academic Journal*, Volume 3, Number 2.
11. Gill Amarjit, Biger Nahum, Mathur Neil (2010). "The relationship between working capital management and profitability: Evidence from the United States" . *Business and Economic Journal*, Volume 2010:BEJ-10.
12. J E L classification: G30, G31, G32., *"How does working capital management affect SMEs profitability?"*
13. James C. Van Horne Horne and John M. Wachowicz, Jr. (20005). *"Fundamentals Of Financial Management"*, Pearson Education (Singapore) Pvt Ltd., Indian Branch.
14. Lazaridis Ioannis and Tryfondis Dimitrios. *"The Relationship Between Working Capital Management And Profitability Of Listed Companies In Athens Stock Exchange"* . University of Macedonia, Department of Accounting and Finance, 156 N. Egnatia Str. 54006 Thessaloniki, Greece.
15. M Y Khan and P K Jain (2003). *"Financial management text and problems".* Tata McGraw Hill Publishing company Limited. New Delhi .
16. Nasr Mohamed and Rehman Abdul (2007). "Working capital management and profitability-case of Pakistani firms" . *International Review Of Business Review Papers*, Vol 3, No. 1. March 2007, pp. 279-300.
17. I. M. Pandey (2002). *"Financial management"* . Vikas Publishing House Pvt. Limited, New Delhi.
18. Oruc Eda and Sen Mehmet, (2009). "Relationship between Efficiency level of Working Capital Management and Return on Total Assets in ISE" . *International Journal of Business and Management*, Vol. 4, No. 10, October 2009.
19. Poule, Roy A (1972). *" Practical Financial Statement Analysis"*, Tata McGraw Hill Publishing company Limited, New Delhi Edition .
20. Prassana Chandra (2002). *"Financial Management Theory And Practice"*, Tata McGraw Hill Publishing company Limited, New Delhi .
21. Padachi Kesseven (2006). "Trends in working capital management and its impact on firms' performance: An analysis of Mauritius small manufacturing firms." *International Review Of Business Research Papers*. Vol. 2 No. 2 , October 2006 pp. 45-58.
22. S. C. Kuchhal (1993) . 'Financial management-An Analytical and Conceptual approach'. Chaitanya Publishing House, Allahabad.
23. Dr. S.N. Maheshwari (2001). *"Principle of management accounting"* . Sultan Chand Sons, New Delhi.
24. Singh J. P. Pandey Sishir. (2008), "Impact of working capital management in the profitability of Hindalco Industries Limited." *The ICFAI University Press.*
25. Sayaduzzaman Md. (2006). "Working Capital Management: A study on British American Tobacco Bangladesh company Ltd." . *The Journal of Nepalese Studies* , Volume 8, No. 1, Dec 2006.
26. Sazid Nazir Mian and Talat Afza (2008). "On The Factors Determining Working Capital Requirement" Proceeding ASBBS, Vol 15, No, 1, Feb 2008.
27. Sazid Nazir Mian and Talat Afza (2009). "Impact of aggressive working capital management policy on firms' management profitability" . *The IUP Journal Of Applied Finance*, Vol 15, No 8.
28. Yucel Tulay and Kurt Guluz, (2002). "Cash conversion cycle, cash management and profitability: An empirical study on the ISE Traded companies" . *The ISE Review* , Volume 22, April/May/June.
29. Zaryawati , M.A., Annuar, M. N., Abdul Rahim A. S. (2009). "Working Capital Management And Corporate Performance: Case Of Malaysia" . University Putra Malaysia, Malaysia. *Journal Of Modern Accounting And Auditing*, Vol.5, no.11 (serial no. 54).

INDIAN JOURNAL OF FINANCE

Statement about ownership and other particulars about the newspaper "INDIAN JOURNAL OF FINANCE" to be published in the 3rd issue every year after the last day of February.

FORM 1V

(see Rule 18)

1. Place of Publication	**:**	**NEW DELHI**
2. Periodicity of Publication	**:**	**MONTHLY**
3. 4,5 Printer, Publisher and Editor's Name	**:**	**S. GILANI**
4. Nationality	**:**	**INDIAN**
5. Address	**:**	**Y-21,HAUZ KHAS, NEW DELHI - 16**
6. Newspaper and Address of individual	**:**	**ASSOCIATED MANAGEMENT**
Who owns the newspaper and partner of	**:**	**CONSULTANTS PRIVATE LIMITED**
Shareholder holding more than one percent.	**:**	**Y-21, HAUZ KHAS, NEW DELHI - 16**

I, S. Gilani, hereby declare that the particulars given above are true to the best of my knowledge and belief.

DATED : 1st March , 2012

Sd/-
S. Gilani
Signature of Publisher