

Abstract

Academic and research interventions in the field of working capital management in industries in the developed countries have already been amalgamated in the form of innovations but printing industry remained unploughed. Moreover, no studies have been conducted to analyse the association between working capital management (management of current assets) practices and profitability of printing industry even in India. Therefore, management of current asset practices is a major concern of the companies that laid the foundation of this study with the objective of measuring its effect on profitability by exploring the relevant theories and also the practices followed by the firms. The main objective of this research endeavour is to examine the impact of working capital management on firms' performance of select production units of printing industry in India. The paucity of such studies and research in Indian Printing Industry is behind the ideation of this research drawing upon the components of current assets with the intention of bridging the gap between theory and practices.

This research has provided across-the-board understanding about the evolutionary process of concept of working capital, working capital management policies and practices explaining its development over the years by identifying changes that took place over concept and components in consideration of management of current assets in particular environments from the last to the latest. The evolution of working capital management and its influencing factors illustrated the integrative nature of working capital management that appear to be dynamic, as changes in managerial focus would reflect how companies manage working capital management components.

The study is particularly worthful in making sense of financial decisions not only for the present but also for the future. This study contributes to the literature, exploring the relevance of models, concepts or frameworks developed to serve managers' need in particular operating environments and speculating future research directions in general and particularly in printing industry. With the expanding horizons of companies, companies globe tottering, the significance of the study of working capital management and liquidity and operational efficiency for profitability has become all the more relevant.

The critical review and in-depth review of existing research in the field of working capital has revealed that there arose a significant need to explore working capital management in printing industry in Indian context in the post second world war scenario which further got augmented after the financial crisis of 2008. The literature review establishing the relationship between working capital management and profitability of the firm also unfolded the realization that academic research exploring the relationship between working capital management and profitability of organisations in printing industry in India is non-existent which necessitated the exploration of current assets management in printing industry. The empirical study conducted, and the findings thereby as discussed in Chapter Three and Four are confirmed evidence that tighter and efficient current assets management practices positively affects firm's performance. Optimal management of working capital can be achieved by the trading-off between profitability and liquidity. Efficient and effective current assets management practices lead to short cash conversion cycle, low operating expense ratio, high operating profit ratio and high return on working capital with optimum investment in current assets. After gauging the management of current asset practices adopted by the different companies in the Printing industry in India the empirical revelations expound the impact of management of current assets on profitability which may be of great utilitarian value in financial decision making. To conclude, effective and efficient utilization of the resources of the firms augments its sustainable competitive gain by shortening the cash conversion cycle, enhancing the liquidity of the company and thereby its' profitability. Efficient management of current assets i.e. cash management, receivables management and inventory management ultimately strengthen the liquidity and profitability of the company.