

PREFACE

Bank credit is one of the most important sources of working capital finance to industry. It is a scarce national resource which needs to be used efficiently. Efficient credit allocation and planning are necessary to minimise wastage and misuse of bank credit. In view of this, the Reserve Bank of India appointed a number of committees from time to time to review the system of bank lending to industry and suggest measures for improvement. As a result a new phase of reforms in the system of bank lending started in India when the Reserve Bank of India introduced in 1975 a New System of Bank Lending based on the recommendations of the Study Group to frame guidelines for follow-up of bank credit. The main object of this 'New Bank Lending System' was to ensure financial discipline and improved working capital management efficiency in industry.

*Check
Hypothesis
if correct
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This study essentially aims at analysing the impact of the New Bank Lending System on the industrial inventory levels and working capital management efficiency in industrial firms in India. In this endeavour throughout I received encouragement from my teachers, colleagues, family members and well-wishers, who have won my sense of gratitude and deserve it recorded individually, but this would indeed be impossible. But not to mention a few would be ingratitude.

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