

RECEIVABLES MANAGEMENT: GROUP-WISE SAMPLE ANALYSIS OF SELECTED INDIAN PHARMACEUTICAL INDUSTRIES

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ABSTRACT

The term 'Accounts Receivable' is defined as 'debt owed to the firm by customers arising from sale of goods or services'. The word 'Account Receivables' is also known as 'Sundry Debtors' or 'Trade Debtors' or 'Book Debts'. The Sundry Debtors may be defined as "money due from a customer for sale of goods or services in the ordinary course of business".

The groups are named Group A which includes companies with turnover more than one thousand crores, Group B includes companies with turnover more than five hundred crores but less than one hundred crores, Group C includes companies with turnover more than one hundred crores but less than five hundred crores and finally Group D includes companies with turnover less than one hundred crores. The list of companies under each groups along with their annual turnover in rupees and dollars are presented in the tables in the name of 1 (A), 1 (B), 1 (C) and 1 (D) respectively.

Keywords: Pharma, Growth, Drug, Ratio, Receivables Management.

(I) INTRODUCTION

Accounts receivable represent the amount due from customers (book debts) or debtors as a result of selling goods on credit. "The term debtors is defined as 'debt' owned to the firm by customers arising from sale of goods or services in the ordinary course of business." The three characteristics of receivables the element of risk, economic value and futurity explain the basis and the need for efficient management of receivables. The element of risk should be carefully analyzed. Cash sales are totally riskless but not the credit sales, as the same has yet to be received. To the buyer the economic value in goods and services process immediately at the time of sale, while the seller expect an equivalent value to be received later on. The cash payment for goods and services received by the buyer will be made by him in a future period. The customer from whom receivables or book debts have to be collected in future are called Trade debtor and represent the firm's claim on assets.

Receivables management, also termed as credit management, deals with the formulation of credit policy, in terms of liberal or restrictive, concerning credit standard and credit period, the discount offered for early payment and the collection policy and procedures undertaken. It does so in such a way that taken together these policy variables determines an optimal level of investment in

receivables where the return on that investment is maximum to the firm. The credit period extended by business firm usually ranges from 15 to 60 days. When goods are sold on credit, finished goods get converted into accounts receivable (trade debtors) in the books of the seller. In the books of the buyer, the obligation arising from credit purchase is represented as accounts payable (trade creditors). "Accounts receivable is the total of all credit extended by a firm to its customer."

(II) DEFINITION

The term 'Accounts Receivable' is defined as 'debt owed to the firm by customers arising from sale of goods or services'. The word 'Account Receivables' is also known as 'Sundry Debtors' or 'Trade Debtors' or 'Book Debts'. The Sundry Debtors may be defined as "money due from a customer for sale of goods or services in the ordinary course of business".

(III) SAMPLE OF COMPANIES

Out of the total pharmaceutical companies, thirty two pharmaceutical companies have been taken from the pharmaceutical Industry on the basis of their annual turnover. Further, they were divided into four groups with eight companies in each group. The groups are named Group A which includes companies with turnover more than one thousand crores, Group B includes companies with turnover more than five hundred crores but less than one hundred crores, Group C includes companies with turnover more than one hundred crores but less than five hundred crores and finally Group D includes companies with turnover less than one hundred crores. The list of companies under each groups along with their annual turnover in rupees and dollars are presented in the tables in the name of 1 (A), 1 (B), 1 (C) and 1 (D) respectively.

(IV) CONSOLIDATED RECEIVABLES MANAGEMENT RATIO

Table 2 shows result of the consolidated Receivable Management Ratios of thirty two sample pharmaceutical companies in India during the study period from 1999-2000 to 2010-11. As stated earlier, these thirty two pharmaceutical companies were taken from the pharmaceutical Industry on the basis of their annual turnover. Further, they were divided into four groups with eight companies in each group.

Kindly refer to Table-1

It is understood from column 1 of Table 1 (Receivable to Current Asset Ratio) of the pharmaceutical industry that group A companies were able to manage their receivables well during the study period. Its Receivable to Current Asset Ratio

was lower (25.76%) when compared to other sample companies. It is observed that almost 60% of the companies have Receivable to Current Asset Ratio more than the overall Industry Average Ratio.

From the Ratio of Receivables to Total Assets of the sample companies during the study period of 2000 to 2010, as given in Table 1 Column 2, it is clear that the group B companies were earned large amount of receivables as a part of total assets.

Table 1 Column 3 shows the result of Receivables to Sales Ratio of sample companies during the study period 2000-2010. It is to be noted that the group C companies efficient firm by holding less amount of investment in Receivables as percentage of sales. The Industry Average Ratio of 39.83% (as a bench mark) was compared to other sample companies and it is found that 50% of the sample companies acquired higher ratio than bench mark.

The Debtors' Turnover Ratio of the sample companies are given in Table 1 Column - 4 and they clearly indicate that group D companies average Turnover of 8.02 times is compared to average of sample companies.

(V)THE SIGNIFICANCE OF THE RATIOS OF RECEIVABLES MANAGEMENT
Table 2 (A) shows the test of homogeneity of variance. Since homogeneity of variance should not be there for conducting ANOVA tests, which is one of the assumptions of ANOVA, we see that Levene's test shows that homogeneity of variance is not significant ($p > 0.05$). As such, we can be confident that population variances for each group are approximately equal. Now we can conduct the ANOVA test and analyze the results ahead.

Kindly refer to Table-2(A), 2(B),2(C),

By performing Post Hoc test and using Tukey HSD further, we can conclude from the Table 2 (C) that though not statistically significant, but there is major difference in the value of Receivables to Current Assets Ratio between Group B & Group D. Similarly the difference between Receivables to Total Assets Ratio between Group C & Group D is more. If we analyze Receivables to Sales Ratio, it can be conclude that there is noteworthy difference between the values between Group D & Group A companies. Analysis of Debtors Turnover Ratio and Average Collection Period reveals that there is major difference between the values of Debtors Turnover Ratio and Average Collection Period between Group D & Group C companies and Group B & Group D companies respectively.

Kindly refer to Table-2(D)

(V) ANALYSIS OF THE STUDY (GROUP - WISE ANALYSIS)**Group A Companies**

It is understood from column 1 of Table 3 (A) (Receivable to Current Asset Ratio) of the Group A pharmaceutical industry that GlaxoSmithKline Pharmaceuticals Ltd was able to manage their receivables well during the study period. Its Receivable to Current Asset Ratio was lower (26.60%) when compared to other sample companies. Rest of the companies has receivables to current assets ratio more than 50%. The overall Industry Average Ratio during the study period is (57.11%).

From the Ratio of Receivables to Total Assets of the sample companies during the study period of 2000 to 2010, as given in Table 3 (A) column 2, it is clear that the Cipla Ltd (57.63%) earned large amount of receivables as a part of total assets, followed by Aurobindo Pharma Ltd (46.66%), Lupin Ltd (46.49%), and Nicholas Piramal India Ltd (45.68). Rest of the companies have receivables less than or equal to 40% of total assets.

Table 3 (A) Column 3 shows the result of Receivables to Sales Ratio of sample companies during the study period 2000-2010. It is to be noted that the GlaxoSmithKline Pharmaceuticals Ltd with the ratio of 16.27% was considered to be the most efficient firm by holding less amount of investment in Receivables as percentage of sales. It is followed by Cadila Healthcare Ltd (32.15%) and Nicholas Piramal India Ltd (34.75%). The Industry Average Ratio of 41.20% (as a bench mark) was compared to other sample companies and it is found that 50% of the sample companies acquired higher ratio than bench mark. Kindly refer to Table-3(A)

The Debtors' Turnover Ratio of the sample companies are given in Table 3 (A) Column - 4 and they clearly indicate that GlaxoSmithKline Pharmaceuticals Ltd earned the higher turnover (24.78 times) during the study period and rest of the companies have Debtors Turnover Ratio less than or equal to 8 times. The overall Industry Average Turnover of 7.77 times is compared to average of sample companies.

Average Collection Period (in days) of sample companies is given in Table 3 (A) Column 5. From this table, it is clearly understood that GlaxoSmithKline Pharmaceuticals Ltd managed better as their collection period is very low (18.15 days) and rest of the companies have collection period more than 45 days. The Industry Average Collection Period is 70.57 days.

Group B Companies

Kindly refer to Table-3(B)

Column 1 of Table 3 (B) (Receivable to Current Asset Ratio) of the Group B pharmaceutical industry states that Aventis Pharma Ltd was able to manage

their receivables well during the study period. Its Receivable to Current Asset Ratio was lower (27.93%) when compared to other sample companies. Rest of the companies has receivables to current assets ratio more than 40%. The overall Industry Average Ratio during the study period is (49.03%).

From the Ratio of Receivables to Total Assets of the sample companies during the study period of 2000 to 2010, as given in Table 3 (B) column 2, it is clear that the Novartis India Ltd (82.72%) earned large amount of receivables as a part of total assets, followed by Pfizer Ltd (57.76%) and Ipca Laboratories (43.46%). Rest of the companies have receivables less than or equal to 35% of total assets.

Table 3 (B) Column 3 shows the result of Receivables to Sales Ratio of sample companies during the study period 2000-2010. It is to be noted that the Aventis Pharma Ltd with the ratio of 20.16% was considered to be the most efficient firm by holding less amount of investment in Receivables as percentage of sales. It is followed by Torrent Pharmaceuticals Ltd (26.96%) and Ipca Laboratories Ltd (33.20%). The Industry Average Ratio of 40.00% (as a bench mark) was compared to other sample companies and it is found that 63% of the sample companies acquired higher ratio than bench mark.

The Debtors' Turnover Ratio of the sample companies are given in Table 3 (B) Column 4 and they clearly indicate that Aventis Pharma Ltd earned the higher turnover (14.74 times) during the study period followed by Novartis India Ltd (10.72 times) and Pfizer Ltd (10.33 times). Rest of the companies have Debtors Turnover Ratio less than or equal to 9 times. The overall Industry Average Turnover of 7.99 times is compared to average of sample companies.

Average Collection Period (in days) of sample companies is given in Table 3 (B) Column 5. From this table, it is clearly understood that Aventis Pharma Ltd managed better as their collection period is very low (25.38 days) followed by Pfizer Ltd (37.27 days) and Novartis India Ltd (37.83 days). Rest of the companies have collection period more than 45 days. The Industry Average Collection Period is 61.11 days.

Column 1 of Table 3 (C) (Receivable to Current Asset Ratio) of the Group C pharmaceutical industry states that Abbott India Ltd was able to manage their receivables well during the study period. Its Receivable to Current Asset Ratio was lower (25.76%) followed by Panacea Biotec Ltd (32.59%) when compared to other sample companies. Rest of the companies has receivables to current assets

ratio more than 45%. The overall Industry Average Ratio during the study period is (52.70%).

Kindly refer to Table-3(C)

Group C Companies

From the Ratio of Receivables to Total Assets of the sample companies during the study period of 2000 to 2010, as given in Table 3 (C) column 2, it is clear that the Abbott India Ltd (20.99%) earned least amount of receivables as a part of total assets, followed by Panacea Biotec Ltd (22.64%) and Cadila Pharmaceuticals Ltd (31.44%). Rest of the companies have receivables less than or equal to 35% of total assets, thus, managing the receivables effectively. It is to be noted that the Industry Average Ratio of 39.55% is compared to the average of sample companies.

Table 3 (C) Column 3 shows the result of Receivables to Sales Ratio of sample companies during the study period 2000-2010. It is to be noted that the Abbott India Ltd with the ratio of 7.41% was considered to be the most efficient firm by holding less amount of investment in Receivables as percentage of sales. It is followed by Zandu Pharmaceuticals Ltd (17.29%), TTK Healthcare Ltd (27.96), Panacea Biotec Ltd (28.25) and Cadila Pharmaceuticals Ltd (32.15%). The Industry Average Ratio of 39.66% (as a bench mark) was compared to other sample companies.

The Debtors' Turnover Ratio of the sample companies are given in Table 3 (C) Column 4 and they clearly indicate that Zandu Pharmaceuticals Ltd earned the higher turnover (24.83 times) during the study period followed by Abbott India Ltd (21.16 times) and Cadila Pharmaceuticals Ltd (16.31 times). Rest of the companies have Debtors Turnover Ratio less than or equal to 8 times. The overall Industry Average Turnover of 10.98 times is compared to average of sample companies.

Average Collection Period (in days) of sample companies is given in Table 3 (C) Column 5. From this table, it is clearly understood that Abbott India Ltd and Zandu Pharmaceuticals Ltd managed better as their collection period is very low (17.50 days) and (17.7. days) respectively, followed by Cadila Pharmaceuticals Ltd (28.75 days). Rest of the companies have collection period more than 49 days. The Industry Average Collection Period is 69.92 days.

Group D Companies

Kindly refer to Table-3(D)

Column 1 of Table 3 (D) (Receivable to Current Asset Ratio) of the Group D pharmaceutical industry states that Amrutanjan Ltd was able to manage their receivables well during the study period. Its Receivable to Current Asset Ratio was lower (46.25%) when compared to other sample companies followed by Jupiter Bioscience Ltd (51.80%). Rest of the companies has receivables to current assets ratio more than 60%. The overall Industry Average Ratio during the study period is (64.84%).

From the Ratio of Receivables to Total Assets of the sample companies during the study period of 2000 to 2010, as given in Table 3 (D) column 2, it is clear that the Anuh Pharma Ltd (87.81%) earned large amount of receivables as a part of total assets, followed by Medicamen Biotech Ltd (83.47%) and Syncom Formulations India Ltd (76.01%).

Table 3 (D) Column 3 shows the result of Receivables to Sales Ratio of sample companies during the study period 2000-2010. It is to be noted that the Amrutanjan Ltd with the ratio of 19.25% was considered to be the most efficient firm by holding less amount of investment in Receivables as percentage of sales. It is followed by Medicamen Biotech Ltd (28.82%) and Anuh Pharma Ltd (32.65%). The Industry Average Ratio of 38.44% (as a bench mark) was compared to other sample companies and it is found that 35% of the sample companies acquired higher ratio than bench mark.

The Debtors' Turnover Ratio of the sample companies are given in Table 3 (D) Column 4 and they clearly indicate that Amrutanjan Ltd earned the higher turnover (10.00 times) during the study period followed by Anuh Pharma Ltd (5.68 times) and Suven Life Science Ltd (5.63 times). Rest of the companies have Debtors Turnover Ratio less than or equal to 4 times. The overall Industry Average Turnover of 5.33 times is compared to average of sample companies.

Average Collection Period (in days) of sample companies is given in Table 3 (D) Column 5. From this table, it is clearly understood that Amrutanjan Ltd Ltd managed better as their collection period is very low (37.31 days). Rest of the companies have collection period more than 65 days. The Industry Average Collection Period is 79.01 days. Keeping the industry average as a bench mark, it is seen that almost 50% of the companies did not perform well as their collection period is high or very high when compared to the industry average.

(VI) TREND OF RECEIVABLES MANAGEMENT RATIOS GROUP WISE

Table 5 will give us details of trend of receivables management ratio of companies of four different groups based upon their annual turnover. From the table it can be observed that the average indices of receivables to current asset ratio of all four groups of companies are almost equal to 100 with very negligible deviation except Group C where it is 102.41. This is an indication that during the period of study the receivables to current asset ratio of all four groups of companies remained uniform which can be viewed from the standard deviation of all four groups and it is less than double digit in all cases except Group B where it is 11.51. So we may conclude that irrespective of annual turnover, the receivables to current ratio remains similar during the study period.

A similar trend is also prevailing in case of receivables to total asset ratio of different groups of companies. It can be observed that the indices of receivables to total asset ratio almost equal to 100 in each case which suggests that during the period of study the receivables to total asset ratio of all four groups of companies remained uniform which can be viewed from the standard deviation which is comparatively very less. But we can see that Group B and Group D companies vary more in comparison to other two groups with standard deviation of 16.80 and 11.17 respectively. Here we may conclude that the receivables to total asset ratio companies with turnover between 500 Cr to 1000 Cr and that between 100 Cr fluctuates more than their other two counterparts.

If we concentrate on receivables to sales ratio, we found that a Group B company shows an increasing trend with indices 108.13. The rest of the groups' indices are almost 100 except Group C where it is 103.80. This indicates that companies with turnover between 100 Cr to 1000 Cr shows slight increasing trend in receivables to sales ratio. It is also observed that the standard deviation of this two groups is relatively high with standard deviation of 21.63 and 26.31 respectively. This concludes that companies with turnover between 100 Cr to 1000 Cr not only show an increasing trend in receivables to sales ratio but highly fluctuating.

It can be seen from the Table 5.5 that when it comes to debtors' turnover ratio, the average of indices is more than 100 in all the groups except Group D where it is 98.42. This implies that debtors' turnover ratio is decreasing for those companies with turnover less than 100 Cr. If we look at the trend, all are less fluctuating. Similarly the Average collection period is decreasing for Group C companies where indices of average collection period is less than 100 i.e. 95.27. But it is relatively stable with a standard deviation of 11.38. We may conclude

that companies with turnover 100 Cr to 500 Cr have a dip in their debtors' payment.

(VII) CONCLUSION

The Receivable to Current Asset Ratio of Abbott India Ltd was able to manage their receivables well during the study period. It is observed that almost 60% of the companies have Receivable to Current Asset Ratio more than the overall Industry Average Ratio. The analysis on an annual basis shows that sample companies in pharmaceutical industry managed their receivables better in 2005. The overall analysis clearly showed the fact that during the study period the sample companies generally managed their Receivables satisfactorily.

The Debtors' Turnover Ratio of the sample companies clearly indicate that Zandu Pharmaceutical Works Ltd earned the higher turnover during the study period. Average Collection Period (in days) of sample companies shows that Abbott India Ltd managed better as their collection period is very low. Further, we can conclude that though not statistically significant, but there is major difference in the value of Receivables to Current Assets Ratio between different groups of companies.

Cipla Ltd earned large amount of receivables as a part of total assets. GlaxoSmithKline Pharmaceuticals Ltd managed their Receivables better as a part of total assets. It acquired the lowest percentage of Receivables to Total Assets during the study period. It is to be noted that 50% of the companies earned the higher value of ratio than that of the Industry Average Ratio.

The Debtors' Turnover Ratio clearly indicate that GlaxoSmithKline Pharmaceuticals Ltd earned the higher turnover during the study period and rest of the companies have Debtors Turnover Ratio less than or equal to 8 times. Average Collection Period (in days) of sample companies, it is clearly understood that GlaxoSmithKline Pharmaceuticals Ltd managed better as their collection period is very low.

Receivable to Current Asset Ratio of the Group C pharmaceutical industry states that Abbott India Ltd was able to manage their receivables well during the study period. Ratio of Receivables to Total Assets of the sample companies' states that the Abbott India Ltd earned least amount of receivables as a part of total assets, followed by Panacea Biotec Ltd.

Receivable to Current Asset Ratio of the Group D pharmaceutical industry states that Amtutanjan Ltd was able to manage their receivables well during the study

period. Ratio of Receivables to Total Assets of the sample companies shows that the Anuh Pharma Ltd earned large amount of receivables as a part of total assets, followed by Medicamen Biotech Ltd.

The average indices of receivables to current asset ratio of all four groups of companies are almost equal to 100 with very negligible deviation except Group C. This is an indication that during the period of study the receivables to current asset ratio of all four groups of companies remained uniform which can be viewed from the standard deviation of all four groups and it is less than double digit in all cases except Group B. So we may conclude that irrespective of annual turnover, the receivables to current ratio remains similar during the study period.

If we concentrate on receivables to sales ratio, we found that a Group B company shows an increasing trend whereas the rest of the groups' indices are almost 100 which indicated no change. This indicates that companies with turnover between 100 Cr to 1000 Cr shows slight increasing trend in receivables to sales ratio. It is also observed that the standard deviation of these two groups is relatively high. This concludes that companies with turnover between 100 Cr to 1000 Cr not only show an increasing trend in receivables to sales ratio but highly fluctuating.

When it comes to debtors' turnover ratio, the average of indices is more than 100 in all the groups except Group D. This implies that debtors' turnover ratio is decreasing for those companies with turnover less than 100 Cr. If we look at the trend, all are less fluctuating. Similarly the Average collection period is decreasing for Group C companies where indices of average collection period are less than 100, but it is relatively stable. We may conclude that companies with turnover 100 Cr to 500 Cr have a dip in their debtors' payment.

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TABLES

Table 1
Group-Wise Consolidated Receivables Management Ratio

Company (Group-wise)	Receivables to Current Asset Ratio (%)	Receivables to Total Asset Ratio (%)	Receivables to Sales Ratio (%)	Debtors Turnover Ratio (Times)	Average Collection Period (Days)
1 Group A	57.11	41.43	41.20	7.77	70.57
2 Group B	49.03	41.03	40.00	7.99	61.11
3 Group C	52.70	39.55	39.66	10.98	69.92
4 Group D	64.84	53.56	38.44	5.33	79.01

Sources: Computed from the data available in Appendix

*Indicates the best performance among the selected 32 sample companies

Table 2 (A)
Test of Homogeneity of Variances of Receivables Management Ratio Selected Pharmaceutical Companies

Receivables Management Ratio	Levene Statistic	df1	df2	Sig.
Receivables to Current Assets Ratio	.631	3	28	.601
Receivables to Total Assets Ratio	2.292	3	28	.100
Receivables to Sales Ratio	2.105	3	28	.122
Debtors Turnover Ratio	4.302	3	28	.077
Average Collection Period	2.831	3	28	.056

Table 2 (B)
Analysis of Variances of Receivables Management Ratio of Selected Pharmaceutical Companies

Receivables Management Ratio	Between Groups	
	F	Sig.
Receivables to Current Assets Ratio	1.89	0.15
Receivables to Total Assets Ratio	0.88	0.47

Receivables Management Ratio	Between Groups	
	F	Sig.
Receivables to Sales Ratio	0.03	0.99
Debtors Turnover Ratio	1.19	0.33
Average Collection Period	0.33	0.80

Table 2 (C)
Multiple Comparisons of Receivables Management Ratio
among Different Group of Companies

Receivables Management Ratio	Company	N	Subset for alpha = 0.05
Receivables to Current Assets Ratio	GROUP B	8	49.0338
	GROUP C	8	52.6988
	GROUP A	8	57.1088
	GROUP D	8	64.8350
	Sig.		0.132
Receivables to Total Assets Ratio	GROUP C	8	39.5462
	GROUP B	8	41.0288
	GROUP A	8	41.4250
	GROUP D	8	53.5550
	Sig.		0.494
Receivables to Sales Ratio	GROUP D	8	38.4412
	GROUP C	8	39.6612
	GROUP B	8	40.0025
	GROUP A	8	41.1962
	Sig.		0.990
Debtors Turnover Ratio	GROUP D	8	5.3313
	GROUP A	8	7.7738
	GROUP B	8	7.9925
	GROUP C	8	10.9825
	Sig.		0.257
Average Collection Period	GROUP B	8	61.1125
	GROUP C	8	69.9150
	GROUP A	8	70.5662
	GROUP D	8	79.0113
	Sig.		0.752

Means for groups in homogeneous subsets are displayed. a. Uses Harmonic Mean Sample Size = 8.000

Table – 2 (D)
Group-Wise Consolidated Receivables Management Ratio

Company (Group-wise)	Receivables to Current Asset Ratio (%)	Receivables to Total Asset Ratio (%)	Receivables to Sales Ratio (%)	Debtors Turnover Ratio (Times)	Average Collection Period (Days)
1 Group A	57.11	41.43	41.20	7.77	70.57
2 Group B	49.03	41.03	40.00	7.99	61.11
3 Group C	52.70	39.55	39.66	10.98	69.92
4 Group D	64.84	53.56	38.44	5.33	79.01

Table – 3 (A)

Receivables Management Ratio of Group A Companies

Company	Receivables to Current Asset Ratio (%)	Receivables to Total Asset Ratio (%)	Receivables to Sales Ratio (%)	Debtors Turnover Ratio (Times)	Average Collect Peric (Day)
1 Ranbaxy Laboratories Ltd.	56.11	40.85	48.11	4.86	77.1
2 Cipla Ltd.	63.74	57.63	51.63	4.84	83.6
3 Dr. Reddy's Laboratories Ltd.	57.33	39.87	53.43	4.05	91.4
4 Nicholas Piramal India Ltd.	69.49	45.68	34.75	8.03	45.9
5 Aurobindo Pharma Ltd.	63.88	46.66	52.95	3.31	115.6
6 Glaxosmithkline Pharmaceuticals Ltd.	*26.60	*22.78	*16.27	*24.78	*18.1
7 Lupin Ltd.	60.87	46.49	40.28	4.58	82.5
8 Cadila Healthcare Ltd.	58.85	31.44	32.15	7.74	50.0
Industry Average	57.11	41.43	41.20	7.77	70.5

*Indicates the best performance among the 8 Group A companies

Table – 3 (B)**Receivables Management Ratio of Group B Companies**

	Company	Receivables to Current Asset Ratio (%)	Receivables to Total Asset Ratio (%)	Receivables to Sales Ratio (%)	Debtors Turnover Ratio (Times)	Average Collection Period (Days)
1	Sun Pharmaceutical Inds. Ltd.	42.20	*23.12	43.80	5.27	76.42
2	Wockhardt Ltd.	49.40	35.30	46.11	5.18	72.96
3	Aventis Pharma Ltd.	*27.93	30.24	*20.16	*14.74	25.38
4	Orchid Chemicals & Pharmaceuticals Ltd.	47.95	24.47	52.54	3.45	120.23
5	Ipca Laboratories Ltd.	59.06	43.46	33.20	4.98	73.77
6	Pfizer Ltd.	44.63	57.76	43.74	10.33	*37.27
7	Novartis India Ltd.	72.60	82.72	53.51	10.72	37.83
8	Torrent Pharmaceuticals Ltd.	48.50	31.16	26.96	9.27	45.04
	Industry Average	49.03	41.03	40.00	7.99	61.11

*Indicates the best performance among the 8 Group B companies

Table – 3 (C)**Receivables Management Ratio of Group C Companies**

	Company	Receivables to Current Asset Ratio (%)	Receivables to Total Asset Ratio (%)	Receivables to Sales Ratio (%)	Debtors Turnover Ratio (Times)	Average Collection Period (Days)
1	Abbott India Ltd.	*25.76	*20.99	*7.41	21.16	*17.50
2	Cadila Pharmaceuticals Ltd.	58.85	31.44	32.15	16.31	28.75
3	Glenmark Pharmaceuticals Ltd.	81.22	62.13	99.66	3.12	127.79
4	Panacea Biotec Ltd.	32.59	22.64	28.25	7.83	49.14
5	T T K Healthcare Ltd.	55.74	67.01	27.96	7.44	64.92
6	Natco Pharma Ltd.	61.87	36.89	55.48	4.40	100.14
7	Zandu Pharmaceutical Works Ltd	45.87	36.95	17.29	*24.83	17.73
8	Ajanta Pharma Ltd.	59.69	38.32	49.09	2.77	153.35
	Industry Average	52.70	39.55	39.66	10.98	69.92

*Indicates the best performance among the 8 Group C companies

Table – 3 (D)
Receivables Management Ratio of Group D Companies

Company		Receivables to Current Asset Ratio (%)	Receivables to Total Asset Ratio (%)	Receivables to Sales Ratio (%)	Debtors Turnover Ratio (Times)	Average Collection Period (Days)
1	Themis Medicare Ltd.	61.44	54.28	40.58	3.25	113.31
2	Amrutanjan	*46.25	33.37	*19.25	*10.00	*37.31
3	Jupiter Bioscience Ltd	51.80	*11.16	34.71	5.47	69.35
4	Wanbury Ltd.	79.25	47.81	68.15	3.90	100.85
5	Anuh Pharma Ltd.	73.56	87.81	32.65	5.68	67.07
6	Suven Life Sciences Ltd.	62.39	34.53	45.23	5.63	70.64
7	Medicamen Biotech Ltd.	67.98	83.47	28.82	4.78	79.36
8	Syncom Formulations (India) Ltd.	76.01	76.01	38.14	3.94	94.20
Industry Average		64.84	53.56	38.44	5.33	79.01

*Indicates the best performance among the 8 Group D companies

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