

External Commercial Borrowings has the possibility of increasing liquidity hoarding tendencies among non-financial firms as well. The changing economic conditions and the growing importance of India in the international markets motivate us to study corporate liquidity management practices in India.

Financing of firms in India has been a topic of interest for academicians for long. The first essay discusses the evolution of an informal alternative in-kind financing technique which opens up a funding channel for firms. We go a step ahead and show how the liquidity of firms can play a role in attracting the in-kind funding avenue to them.

While the first essay elucidates a positive aspect of financial slack, the second essay discusses a possible reason why firms are hoarding liquidity. Post liberalization, the relaxation in capital controls has allowed the flow of External Commercial Borrowings (ECBs) into the Indian economy. Literature states that ECBs are associated with forex risk, interest risk and, at times, rollover risk as well. The presence of such risks increases the fragility of the economy. Literature also states that a positive correlation among debt and liquid assets among non-financial firms in emerging economies can make them act as 'surrogate financial intermediaries' instead of focusing on their core activities. We have investigated whether such a phenomenon holds true in the case of India and also made some further studies associated with it.

The third essay deals with a possible way of using liquidity buffer by non-financial firms. While

liquidity buffer to strategically impact entry-exit strategies and affect product market competition of firms.

We have attempted to capture these three aspects of corporate liquidity management practice in India. The abstract provides a brief overview of the work done in the subsequent chapters. While we have started investigating different aspects of liquidity management behavior in India, more work rhave attempted to cadquidity managre912 08(dqu)-59(c)-3(e)4(0(ng)10() fn)-81(I)13(ndia,)-67(more)-