

WORKING CAPITAL MANAGEMENT OF PANYAM CEMENTS & MINERAL INDUSTRIES LIMITED (PCMIL)

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ABSTRACT

Working capital is considered to be the life force of an economic entity and its efficient management decides the trade off between liquidity and profitability. The words of H. G. Guthmann clearly explain the importance of working capital. "Working Capital is the life-blood and nerve centre of the business." In the words of Walker, "A firm's profitability is determined in part by the way its working capital is managed." The object of working capital management is to manage firm's current assets and liabilities in such a way that a satisfactory level of working capital is maintained. If the firm cannot maintain a satisfactory level of working capital, it is likely to become insolvent and may even be forced into bankruptcy. Thus, need for working capital to run day-to-day business activities smoothly can't be overemphasized. So in this perspective, the present study is undertaken to examine and evaluate the working capital management of Panyam Cements & Mineral Industries Limited by adopting Ratio Analysis.

KEYWORDS: Current Assets, Current Ratio, Liquidity, Ratio Analysis, Working Capital Management