

A STUDY ON WORKING CAPITAL MANAGEMENT AT LUCAS TVS PADI

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ABSTRACT

Working capital management plays a crucial role in the financial performance and operational efficiency of an organization. It refers to the management of current assets and current liabilities in order to ensure smooth day-to-day operations of a business. The main objective of this study is to analyze the working capital management practices of Lucas TVS Limited located in Padi, Chennai. The study focuses on evaluating the effectiveness of managing key components of working capital such as cash, inventory, accounts receivable, and accounts payable. Proper working capital management helps an organization maintain liquidity, reduce financial risk, and improve profitability. Efficient management of these components ensures that the company can meet its short-term obligations while maintaining adequate funds for operational activities. This research is mainly based on secondary data collected from the financial statements and annual reports of the company. Various financial tools such as current ratio, quick ratio, inventory turnover ratio, and working capital turnover ratio are used to analyze the efficiency of working capital management. The study examines the relationship between current assets and current liabilities and evaluates the company's ability to maintain a healthy liquidity position.

KEYWORDS:

Working capital ¹, Current Liabilities ², Current Liabilities ³, Liquidity Management ⁴, Inventory Management ⁵ Financial Performance.⁶