

# A Study on the Working Capital Management and Financial Performance of Roots Industries India Private Limited

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**Abstract:** *This study examines the working capital management and financial performance of Roots Industries India Private Limited over a five-year period from 2020–2021 to 2024–2025. Working capital plays a vital role in maintaining the liquidity and operational efficiency of a firm, making its effective management essential for achieving profitability and sustainability. The primary objective of this research is to analyze the efficiency of working capital management, evaluate liquidity and profitability positions, and assess the capital structure of the company. The study is based on secondary data collected from the company's annual reports and relevant online sources. Various analytical tools such as ratio analysis, trend analysis, schedule of changes in working capital, and leverage analysis are employed to interpret financial performance. The findings reveal that while the company maintains a satisfactory debt-equity structure and shows an increasing trend in working capital, its liquidity position remains below standard norms. Profitability ratios indicate fluctuations, reflecting instability in earnings over the study period. Additionally, inefficiencies in inventory and debtor management are observed, leading to delays in conversion cycles. Trend analysis highlights a steady growth in working capital, with positive future projections. Leverage analysis indicates low financial and operational risk, suggesting a strong margin of safety. The study concludes that although the company demonstrates a stable capital structure and growth potential, improvements are required in liquidity management and operational efficiency. The findings provide useful insights for enhancing working capital policies and strengthening overall financial performance in the future.*

**Keywords:** *Working Capital Management, Financial Performance, Liquidity, Profitability, Capital*

