

A Study of Working Capital Management and Profit Ability of Banks in India

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Abstract: *The purpose of this paper is to assess the impact of the management of working capital (WCM) on results. The main objective of this study is to investigate whether the empirical findings for financial firms such as Banks in India on the relationship between working capital management practices and the profitability of non-financial firms are relevant. We are investigating whether more profitability is correlated with the working capital management of selected Indian Commercial Banks. Our study's results were significantly consistent with the view of the conventional theory of working capital. The findings indicate that the management and efficiency of working capital are positively linked. The results showed that there is a significant positive relationship between the performance of banks and the size of the bank; there is a significant negative relationship between profitability and the cycle of cash conversion and leverage; there is a substantial negative relationship between liquidity and the payment duration and leverage of creditors; and there is a significant positive relationship between liquidity and debtors' collection period, cash conversion cycle and credit risk.*

Keywords: Working Capital Management, Commercial Banks, Profitability, Bank Performance, Liquidity

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