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A COMPARATIVE STUDY OF THE WORKING CAPITAL PERFORMANCE OF TISCO AND TELCO

PALIPATI BONUS REDDY *

* Dept. of Management
S V University Tirupati 517502

ABSTRACT

Working capital refers to difference between current asset and current liabilities. It is further subdivided into gross working capital and net working capital. Gross working capital (GWC) refers to the firm's investments in current assets that could be converted to cash within an accounting year, i.e. during an operating cycle. It includes cash and bank balance, stock (inventory), debtors (accounts receivable or book debts) and bills receivable and other liquid resources like short-term or temporary investments, It may be concluded that both TSL and TML have managed their working capitals more efficiently during the study period as evidenced by the turnover of gross working capital, net working capital as well as certain individual components of current assets like viz., inventory, sales, debtors etc., The current study demonstrates that both the companies adopted an aggressive financial policy in respect of working capital management which is reflected in their growth trends from 1996-97 through 2010-11.
