

## **LIQUIDITY TRENDS IN SELECT INDIAN FMCG COMPANIES: AN EMPIRICAL ASSESSMENT**

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### **ABSTRACT**

The need for efficient liquidity management cannot be over-emphasized in such a situation. A strong liquidity base may be identified as the vital force of any concern for sustaining its day-to-day operations. Besides, the sound liquidity position enables the concern in maintaining a favourable credit term with its suppliers. With the transformation in the business environment in India, the income as well as the consumption patterns of the people of India have marked notable changes in the post-liberalization period. As a result, the companies belonging to the FMCG sector have also changed their business policies to face the different challenges emanated from the liberalization measures taken by the Government of India. It leads to considerable changes in the liquidity management practices in Indian FMCG companies. In this backdrop, the present paper seeks to assess the liquidity of sixteen selected companies in Indian FMCG industry during the period 1995-96 to 2011-12. The issue addressed in this paper has been tackled using relevant statistical tools and techniques.

**KEY WORDS:** Working capital, Working capital management, FMCG Sector, Liquidity.