

**WORKING CAPITAL MANAGEMENT AND FIRMS'  
FINANCIAL PERFORMANCE: WITH SPECIAL REFERENCE  
TO THE LISTED NON-FINANCIAL COMPANIES DURING  
COVID-19 AND ECONOMIC CRISIS PERIOD IN SRI LANKA**

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**Abstract**

The prime goal of most businesses is to enhance the wealth of their shareholders. For that purpose, working capital and profitability play a vital role. The operation of the business and the proper management of working capital are important to a great extent for the growth and profitability of a firm. Working capital management makes ensuring that a company makes the best use of its current assets and liabilities for efficient operation. Monitoring a company's assets and liabilities is the major goal of working capital management to maintain sufficient cash flow and accomplish short-term business objectives. The COVID-19 epidemic has harmed the economy and had a bad effect on the financial performance of several businesses because it mainly has put a burden on the world's supply networks, production capabilities and business operations. The main purpose of this paper is to examine the relationship between working capital management and a firm's financial performance for the listed non-financial companies in Sri Lanka. In addition, this study examines the impact of the COVID-19 pandemic situation and the present economic crisis in Sri Lanka on firms' financial performance. This study aimed to find out whether working capital management affects the financial performance of non-financial companies listed on the Colombo Stock Exchange from 2017 to 2021. The findings of the study demonstrate the impact of working capital management on business performance and also the impact of the Covid-19 pandemic situation and prevailing economic crisis in the country on the performance of the different companies in different industries. Further, the findings of the study can be used to make decisions by policymakers and scholars who wish to study the impact of the Covid-19 pandemic and the economics of business operations in Sri Lanka.

**Keywords:** *Working Capital Management, Financial Performance, Covid-19 Pandemic, Economic Crisis.*