

ABSTRACT

This study investigates the working capital management practices at Centwin Textile Mills Pvt. Ltd., a key player in the textile industry. Working capital management is critical for ensuring a company's liquidity, operational efficiency, and overall financial health. Effective management of working capital enables firms to meet short-term liabilities, invest in day-to-day operations, and avoid financial distress. This research focuses on evaluating the current working capital structure of the company, analyzing key components such as inventories, accounts receivable, accounts payable, and cash management.

The study employs both qualitative and quantitative methods, utilizing financial data from the company's balance sheets and income statements over the past five years. Key ratios such as the current ratio, quick ratio, inventory turnover, and receivables turnover are calculated to assess the efficiency of working capital management. The study also investigates the company's policies on credit management, inventory management, and cash flow optimization.

The findings suggest that while Centwin Textile Mills Pvt. Ltd. has maintained a reasonable level of working capital, improvements could be made in inventory management and accounts receivable collection to enhance liquidity and reduce the cost of financing. Recommendations for optimizing working capital are provided, focusing on better forecasting, tighter credit controls, and strategic vendor negotiations.

This research contributes to a better understanding of working capital management in the textile industry and provides valuable insights for managers to improve financial performance and operational efficiency.