

**The Impact of Working Capital Management on Corporate Profitability:
Evidence from Listed Manufacturing Company of the Colombo Stock
Exchange in Sri Lanka**

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Efficient management of working capital ensures a company has sufficient cash flow to meet its short-term debt obligations and operating expenses. The study analysis WCM and corporate profitability of listed manufacturing companies of the CSE in Sri Lanka. A sample of twenty-two listed manufacturing companies selected randomly for the purpose of this study. Data collected from annual reports of the sampled firms for the period 2009-2015. The working capital was determined by the cash conversion cycle and the profitability was measured by return on assets. The study applied panel data models (random effects). The data were analyzed by means of descriptive statistics and GLS random regression analysis using STATA 12. The study finds that there is a significant negative impact of inventory turnover on corporate profitability while debtors turnover insignificant positive affect corporate profitability. In addition, creditors' turnover has significant positive impact on corporate profitability. The results conclude that WCM impact of profitability of listed manufacturing companies in Sri Lanka

Keywords: Working Capital Management, Profitability, Manufacturing companies

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