Main purpose of every business is to earn profit and protect itself from a risk to default. It is defined that default means that a firm would not be able to pay its obligations on time. Every corporation uses different methods to mitigate chances of default in their business. Most reliable measure of default risk is Expected Default Frequency (EDF) that is calculated using Moody's KMV model. This measure of default risk, EDF, is related to Financial techniques and Macroeconomic Covariates to see whether there is an impact over Default Risk if these factors are carefully managed. Main financial technique was Working Capital management that is taken as Independent variable and EDF has been taken as Dependent Variable. Other Macroeconomic variables are treated as control variable. The research was whether increased Working Capital Management practices have an impact over Default risk. One step Generalized Method of Moment model was applied over the panel data collected for 102 firms of Pakistan's Textile sector of time period 2015-2020. Results showed a very strong and negative relationship between WCM and EDF proving the main hypothesis of study. Impact of all the other Macroeconomic Covariates over Expected Default frequency was also significant except Interest Rate. Results prove that there is a strong association between Working Capital Management and Default risk and use of efficient financial management techniques in any firm do perform great role in mitigation of a firm's Probability to Default.