

ABSTRACT

This study examines the influences on financial leverage for 290 Indian non-financial companies listed on the National Stock Exchange (NSE) throughout the years 2015 to 2022. The goal is to determine how independent company-specific factors, such as Asset Tangibility, Growth Opportunity, Firm Size, Profitability, and Firm Liquidity, will affect the business. We observe and examine the link between the explanatory variables mentioned above and the dependent variable, which is the Market Leverage, using panel data and multiple linear regression analysis. The analysis's findings indicate that Asset Tangibility has a positive relationship with a firm's leverage that is consistent with the trade-off theory, Growth Opportunity has a significantly negative influence on a firm's leverage that is consistent with the trade-off theory, Firm Size and Profitability also have a negatively significant relationship with the degree of leverage that is consistent with the pecking order theory, and Firm Liquidity has a negatively significant relationship with leverage which is in accordance with trade-off theory. The results show that model is fit for the research and can be used to predict future findings. It is useful for enterprises, financial advisors, investors as well as financial managers.

JEL Codes: G32, G33

Key words: Financial Leverage, Non-Financial Companies, Panel Data, Multiple Linear Regression Analysis, Trade-Off Theory, Pecking Order Theory