

## FIRM SIZE AND PROFITABILITY AS DETERMINANTS OF FIRM VALUE: EVIDENCE FROM NSE-LISTED COMPANIES IN INDIA

*Anish Sebastian<sup>1</sup> & Dr. B. Johnson<sup>2</sup>*

<sup>1</sup>*Research Scholar, Department of Commerce and Management Studies, University of Calicut, Kerala, India*

<sup>2</sup>*Professor & Dean, Department of Commerce and Management Studies, University of Calicut, Kerala, India*

**Received: 16 Apr 2023**

**Accepted: 18 Apr 2023**

**Published: 30 Apr 2023**

### **ABSTRACT**

*This study examines the impact of profitability and firm size on firm value among companies listed on the National Stock Exchange (NSE) of India. Using a panel data approach, we analyse 20 firms from the FMCG and IT sectors over the period 2013–2022. The study employs panel Ordinary Least Squares (OLS) regression to assess these relationships. The results show that firm size has a significant positive impact on firm value, whereas profitability (proxied by Return on Assets) does not exhibit a statistically significant effect. These findings suggest that investors and corporate decision-makers should consider firm size as a key determinant when evaluating company valuation strategies. This study contributes to the ongoing discourse on corporate financial performance by providing empirical evidence from the Indian market and suggests future research avenues, including the role of capital structure, market conditions and sectoral dynamics in determining firm value.*

**KEYWORDS:** *Profitability, Firm Size, Firm Value, Market Capitalisation, Financial Performance, Return on Assets (ROA), Panel OLS*