

Today, in a competitive and complex world where decisions are linked to a company's financial performance, companies are trying to consult their financial management, and many are making increased efforts to increase shareholder value. As reported in the literature, larger companies have higher margins, profits, and regulatory volatility, and expect higher leverage ratios since larger companies have fewer risks. Therefore, many have limited themselves to examining firm size and leverage, although this has been the case in other countries and previous research data collected was often based on the financial and services sectors and contained many irrelevant metrics. Sri Lanka pays very limited attention to the firm size and financial leverage of listed manufacturing companies and there is a shortage of knowledge about this situation due to lack of studies. Provides enormous amounts of capital to businesses and has positive links with the business sector in developing countries. researchers examined various leverage theories and were able to identify two main theories of compensation and the pecking order theory. The influence of company size is the most common aspect of financing organizations and is measured by the company's total assets, number of employees, total sales, etc. In addition to several investigations, they also investigated company size and the associated financial debt ratio was determined and no appropriate measures were used to determine the company size and the associated financial debt ratio. Financial leverage can be measured by earnings before interest and can also be viewed as the difference in earnings per equivalent share. Financial leverage refers to the company's use of debt and equity securities as fixed-income securities. Most companies use financial leverage as a key factor in their capital structure to maximize shareholder wealth. Large companies were able to reduce their operating costs by issuing long-term debt at preferential interest rates. and resulted in a corresponding leverage effect only for SMEs in Ghana and South Africa. Financial leverage in corporate financing plays an especially significant role in decisions related to the company's business activities. Corporate financing requires debt and equity capital to develop its financing mix. Financial leverage is important to a company's finances and considers debt and other financial collateral. However, financial leverage is used to control corporate management and sometimes avoid financial risk, while at the same time being used to generate profits for the company and its shareholders. Financial leverage is also used as a technique to borrow money to purchase assets. All signatures are required for identification purposes for financial leverage. To this end, several researchers have found various studies on the topic of financial leverage. However, another researcher revealed a similar trade-off theory that financial leverage has a positive relationship with corporate profitability. The largest companies are excluded here, and they only care about leverage on profitability. Consequently, companies can optimize their financial or financial structure by achieving a high stock market value. The company's operating and financial environment recognizes that the size of the company plays a key role in decisions related to the company's finances. Company size has a greater impact on financial leverage in today's global economy. Company size is considered a crucial factor that can influence the company's relationship with the external business environment. In the business environment, company size plays a more vital role as large organizations could have a large influence on their stakeholders. Research Problem borrowed money can be measured by how organizations use debt and equity for their fortune. Some researchers agreed on the positive impact of leverage, while others described the negative impact of debt. However,

research in the Sri Lankan context does not address this condition. Identified diverse types of relationships in the business environment. This can give the impression that larger companies have higher debt ratios. Small businesses bring innovative ideas to the industry. The competitiveness of large and small companies can influence their financial structure decisions in a dynamic environment. It was identified as financial leverage. Leverage is very important for the decision-making of the directors of the company. In doing so, they create an optimal capital structure that takes the size of the company into account. However, Bankrupt companies face greater risk if they do not manage their debt fairly. Large companies can increase the value of their company because they have more necessary resources and more information about all stakeholders. more risks and costs of insolvency. In addition, approx. capital structure is not correlated with the value of the company. However, the influence of company size on financial leverage was not considered. showed a negative relationship between short-term debt and long-term debt with firm profitability). They are important for financial decisions. Key to explaining corporate debt. However, you should be concerned about the impact of company size on debt