

# ABSTRACT

Due to globalization, the competition between countries has been increased for their exports and due to that competition, every country is trying to minimize the product cost and enhance the financial performance to meet the competitive advantage in international market. Keeping in view of the above, financial supply chain management (FSCM) is very important for the cost cutting techniques. Textile sector of south Asian countries is the most important sector in their economies. The financial supply chain management practices if adopted will have significant impact on the financial performance of their respective regions. The objective of this study is to produce new results and ideas with reference to earlier studies contribution. The study aim is also to conduct a comparative study on textile sector of South Asian Countries with respect to Financial Supply Chain Management components impact on the Financial Performance (key profitability indicators).

In this research thesis the sample under observation is non-financial firms listed on Pakistan and Indian Stock Exchange. Data have been extracted from the financial statements of the firms. The secondary data used in this study to explore the results. Data was collected from annual financial reports of listed companies and annual reports are available on companies' websites as well as from stock exchanges of South Asian countries. The raw data was arranged through MS Excel functions and the variables were calculated with use of ratio scale. The data was analysed by using Stata to check the relationship and impact of independent variables on dependent variables by using technique of OLS, GLS, Fixed Effect, Random Effect and GMM.

The research concludes that the impact of numerous FSCM key performance indicators variables on four key profitability indicators for textile sector firms in Pakistan and India. In addition to, the FSCM impact on firm's performance can enhance efficiency of supply chain in provisions of operational cost saving as well as profit maximizing. As a result the financial performance of firms is increased. The financial resolution with FSCM can end result an improved operating cycle of supply chains; enhanced supply chain performance can advantage the firms through healthier financial performance; enlarged business economic power in market.