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Impact of Cash Conversion Cycle on the Profitability of firm. Evidence from Pakistani Firm

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ABSTRACT

The purpose of the study is to determine that how cash conversion cycle impacts a company's financial performance in the Manufacturing sector of Pakistan listed on Stock Exchange of Pakistan. In this research 5 years data was analyzed from year 2017 to 2021 to verify an assertion. Cash conversion cycle (CCC) is a key factor in business decisions, especially in industrial businesses. Because it affects the financial performance and cash flow. Cash conversion cycle is treated as an independent variable including its determinants. Profitability, usually determined by return on asset, acts as the dependent variable (ROA). Through statistical research, it has been shown that a prolonged cash conversion cycle turnover time will result in little money being invested in short-term securities, more money being available for equity capital, and a greater degree of profit and productivity. In order to generate and perform effective strategy and roadmap, management and workers may find this study useful.

Keywords: Cash Conversion Cycle (CCC), Size of firm (SOF), Return on Assets (ROA), Inventory turnover.

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LIST OF ABBREVIATION

CCC	Cash Conversion Cyle
ROA	Return on Assets
SOF	Size of firm
ACP	Average Collection Period
IT	Inventory turnover
APP	Average Payable Period

Impact of Cash Conversion Cycle on the Profitability of firm. Evidence from Pakistani Firm.

1.Introduction:

Financial well being of firms is essential to accomplish intended outcome and purpose. It is considered very important for survival and also for thrive in these cut throat competition days. Every company in the industry makes an attempt to enhance its earnings and profitability. The money manager and specialist (Shubita, 2019)stated that in order to accomplish required monetary objective cash conversion cycle and profitability the manufacturing sector plays significant role It helps in creating to job possibilities while meeting the requirements of the industry and its clients.

There are some variables that forces the firms to create and implement effective strategies to increase their profit. Important factors include liquidity, profitability, cash conversion cycle and relevant financial decisions (Chung-Chi Shen, 2016) .Previous studies have shows that the current assets and the liquidity are very important for corporate and economic decisions. The focus of this research is on Pakistan industrial sector.

Direct benefits result from appropriate cash flow ratios administration, which further boosts profits. Whenever economic expenditures are kept in check, a return on assets will increase. An optimal cash conversion cycle or cash flow impacts budgets and actual expenditures, which further have an impact on a firm's success (Samiloglu, 2012).Each type of business is dedicated to creates an optimal cash flow to maintain the competitive advantage in the economy.

Effective management of cash conversion cycle yield positive effects and also increase the firm profitability. So, this report will concentrate on the industrial sector, which was singled out because of a poor liquidity ratio. The revenue is decreasing gradually over time relative to the previous years, which can be seen clearly from the financial statements and companies' achievement. For the firms to run effectively and to accomplish specified aims and goals, investment plans are considered as the foundation.

Competitiveness and financial return are the main priorities of every business in the industry. The report's findings stress the importance of liquidity and its impacts on corporate value. And even these research results could be used to improve a firm's cash flow, though it was performed on a specific company.

Also, it illustrates that how optimal cash conversion cycle is useful for reducing running expenses and boosting rate of expansion and revenue (Katerina Lyroudi, 2013). When monetary expenditure is in check, an operating cash flow will improve. Successful CCC also affects firms running and operating expenses, that have an influence over a firm's revenue. (Samiloglu,2016).

1.1 Background of the study:

The cash conversion cycle is very important for organizational managers and financial experts to develop and implement effective decisions The cash flow shows how long it took for the weeks of spent capital to become money (Uyar A. , 2018).In the other words it is time span of cash which investors invest money into business and they expect receivable periods, and credit which is also called the playable duration (Samiloglu, 2012).

Economic advisers constantly concentrate on creating practical policies and tactics in businesses to shorten the payment period and maintain commercial operations (Eljelly, 2017).When money was managed in this way, this affects business revenue and costs, which has an effect on the value of the company (Samiloglu, 2012).

According to earlier research, companies need to create proper cash conversion cycles in order to get ahead and productive (Eljelly, 2017). Similarly, (Qaisar Ali Malik, 2018) done research on how CCC impacts the profits of 155 listed industrial firms during 2007 and 2011.

Many research on cash receipts, credit payments, business solvency, and profit have already been undertaken in the past (Chung-Chi Shen, 2016)Such researches have both the beneficial and negative aspects of research, however the investigation was mainly concerned with exploring the cash flow. Profit as well as the expansion of the firm's business are determined by optimal manufacturing life process (Katerina Lyroudi, 2013).

An efficient (ccc) management yield beneficial outcomes and increase firms profitability. Stock volatility and development expenditures are regarded as essential aspects for businesses to seize chances (Alan S. Blinder, 2015).Previous researches such that (Uyar A. , 2018) shows the organizational profitability depends on the cost of production because when cost of production decreases so, profitability rises which has direct impact on the organization profit.

The manufacturing sector of Pakistan is among the most esteemed sectors in the nation. Therefore, our study concentrated specifically on resolving the problem associated with the payment processing cycle. Financial managers and professional will benefit from this research in order to improve the organization's financial performance.

Previous research has shown that the financial decision-making effects an organizations performance. Past research on finance judgement as well as its effect on firm profitability revealed the significance of the research as well as the massive impact it's had on overall quality (Katerina Lyroudi, 2013)

CCC is founded on an evaluation of triple component phases. The very first cycle is stock and second is payments receivables, which highlight the duration of a claimed business cycle. The last phase is that of current debt, which is one false assessment of the above CCC (Bueniasz, 2011). This article assessed n with a focus on the company's financial performance as determined by ROA.

The research further indicated that since the finance sector somehow doesn't compensate higher income enterprises for their poor management, they are less inclined to maintain their relatively brief capital.

A variety of indicator have been used to assess a company's performance, these are, inventory turnover, account receivable, operating expenses and cash conversion cycle (CCC) which is considered helpful to reinvest cash in other portfolios of organization (Chung-Chi Shen, 2016)In the market companies have best cash conversion cycle don't to get external financing from investors and financial institutions (Talat, 2017)

Inventory turnover and cost of production are considered important elements of the organizations to grab the opportunities. Leading companies' management spent huge time to develop and implement effective cash conversion cycle with primary goal of increasing the company profitability (Eljelly, 2017).

Stock rotation and manufacturing expenses are seen as crucial components enabling firms to seize chances (Alan S. Blinder, 2015) .With primary objective of boosting corporate profitability, the executives of businesses as well as finance specialists invested a substantial quantity of cash in formulating and delivering a successful cash flow (Eljelly, 2017)

This even demonstrates how well the ideal liquidity ratio can be seen to be essential to minimise operational expenses and maximize rate of expansion and performance (Katerina Lyroudi, 2013) Each sort of organizations aimed at creating an optimized payment period that maintain the competitive advantage inside the industry.

The prior studies show that much research has been done on profitability and firm’s financial performance Every study as well as assessment of relevant researches found this because the managers use the finest Cash conversion cycle, it enhances corporate value. These pieces illustrate the context for the proposed problem investigations.

1.2 Problem statement:

Business sustainability is a big worry and problem for specialist even though it is unavoidable that money related will fall short of their objectives and missions, it is impossible to attain objective without adequate planning.

The main objective of organization is to maximize profit therefore the research emphasis is placed at manufacturing industry in Pakistan discovered issue because of a low CCC depending on their capital structure, production volume, capital structure suffers different and difficult problem. Industries are damage more from resource cost and financial inefficiency.

Numerous variables are often utilized to evaluate a firm's productivity, including firm profitability, cost of good sold, Inventory turnover, account receivable, inventory turnover, and cash conversion cycle.

The firm with Successful CCC avoid obtaining outside funding from financers (Nazir, 2014)The current issue is a consequence of poor cash flows or ccc, that affects a profit margin altogether. This study focused to provide appropriate solution for the proposed and identified problem.

1.3 Significance of the Study:

Budgeting is regarded as the foundation for businesses' progress in attaining organizational goals and vision. Every business in the industrial sector put a premium on profit and productivity. The relevance of Cash flows although this influence corporate profit are highlighted in this study. Even though the research were carried on specific organisations, its findings can be used to improve a company's liquidity position.

This research is significant in manufacturing industry of Pakistan so that the firm can handle the operating cost and enhance firm monetary performance, reducing the cost of manufacturing and inventory turnover to expand the growth. The firm administration and analyst can build and implements the tactics to enhance the productivity and profitability and solve the issues and mitigate risk related to Cash Conversion Cycle. `

To properly manage organisations, the senior managerial and accounting professionals invested a significant number of finances and strategies. According to earlier research, finest and efficient CCC is crucial for businesses because it lowers operational expenses and boosts earnings. (Chung-Chi Shen, 2016)

A specialist claimed that because the Cash flows is successful Consequently, businesses are not required to borrow money from outside channel. The necessity of impressive economic practises in firms was the main emphasis of this investigation. Such research aids a particular company in solving it CCC issues. The goal of this study is to help to the controversy's settlement by using statistical method continue providing actual findings for the identified Pakistani companies.

1.4 Research Gap:

The purpose of this research is to analyze the impact of cash conversion on the profitability of manufacturing firms listed on Pakistan stock exchange. Since this is one of the major and the fastest growing sector. So many studies pertaining to the chosen research subject have been carried out internationally (Murugesu, 2017) and a very few domestically. According to the assessment of the existing work. (Muhammad Yasir, 2018) conducted studies on propose study. (Nagendra Marisetty, 2020) investigate issues associated with the chosen subject in India. This depicts that research gap exist and selected sector facing problem related to CCC. This study bridge gap to fill and enhance performance and improve CCC which leads to profitability of firm. This research closes deficiencies to optimize effectiveness and Efficiency, which increases profit margin. (Nazir, 2014)

1.5 Scope of study:

This study considered only the listed manufacturing companies listed on Pakistan stock exchange. The scope of this research is based on 56 manufacturing firm out of 390 population. It assesses the relationship between three independent variables namely debt, size of firm, and Cash conversion cycle and one dependent variable profitability measured by ROA.

1.6 Research Objectives:

- To inspect whether the inventory turnover impacts profitability.
- To determine the effects of business sizes on profitability.
- To understand the link between company's profitability and CCC
- To find out the effect of debt on company monetary performance

1.7 Research Questions:

- Does inventory turnover impact on profitability of firm?
- Does the size of firm impact on profitability?
- Does CCC affects profitability?
- Does the debt impacts profitability of firm?

1.8 Limitations:

Because the study sample utilised in this study was only for 5 years, from 2017 to 2021, future research should focus on a longer time to provide more accurate conclusions concerning the influence of CCC on company profit.

Because sample firms are randomly selected associated with high market capitalization in this analysis, the precision is dependent on the sample units, therefore the results may change if someone else employed alternative sampling techniques.

The research is confined to the industrial sector in Pakistan, where there are several studies on CCC. Numerous researchers can utilise gross profit, net profit margin, or EBIT to further analyse this research.

This study's major downside is that it only related to the manufacturing company s on the list. As is widely awareness, the organizational sizes and businesses in which the companies operate may determine its access to money and cash conversion cycles. As a result, extrapolating the ideas presented for the Businesses investigated inside this study wouldn't have been necessarily correct

.

Chapter 2: Literature

2.1 Literature Review:

The performance of the company's financial position is assessed by using a key measure called cash conversion cycle. Every firm in the market strives to focus on expanding its efficiency and productivity. According to economic analysts (Muhammad Yasir, 2018) the cash flow or (CCC) is vital to achieving intended investment targets.

Pakistan's manufacturing sector is crucial for meeting consumer and financial interests and for providing jobs. There are some variables that forces the organisations to create and implement the effective strategies to increase their firm's profit and productivity.

These elements involve cash flow, profitability, the length of the cash conversion cycle, and significant investment plans (khan, 2017).The optimal cash flow (ccc) significantly affects firm budget and business costs, which have an effect on a firm's performance (Samiloglu, 2012).Every sort of business focused on creating an efficient cash flow to maintain the competitive advantage in the industry.

The earlier research demonstrates that firm financial performance and prosperity have been extensively researched. The profitability is decreasing slowly when compared with the past few years, according to the income statements and balance sheet. There will always be problems with the business world and corporations.

An examination of the existing research reveals that the proposed research subject has been the subject of numerous studies outside of Pakistan. (Dr-Syeda, 2014) conducted studies on sugar sectors in Pakistan. (Uyar A. , 2018) and looked into issues relating to a chosen topic in Turkish. These research and assessments demonstrate the lack of evaluation in the industrial sector.

. Stock rotation, debts outstanding, overhead costs, and cash conversion cycle are a few of the variables that are being used to evaluate the company ’s success. According to earlier research, not only just manufacturing sector but other portfolios can benefit from using the most efficient cash flows or ccc (Chung-Chi Shen, 2016)

Successful companies have effective cash flow cycles (CCC) on the market in order to avoid seeking debt funds from financial institutions (Nazir ,2014). This current issue is caused by a weak cash flow (CCC), that has an aggregate adverse affect on a profit. The research concentrates on a company's net worth.

The purpose of this research would be to suggest a suitable answer to the given and observed issue. According to earlier research (DELOOF, 2013)an efficient cash flow strongly affects a company 's productivity and ability to function under pressure.

Every company in these industries puts a high value on revenue and return on capital. The significance of cash conversion cycle and its consequences on enterprise likelihood is mentioned in this report. However, this research was performed on a specific firm, its findings can be used to improve cash conversion processes in whole industry.

On other hand the utilization of obligation assets can help in developing the operations of the elements and subsequently improve come back to proprietors. Then again, high obligation can imply that the organization will think that its hard to raise reserve amid incline times of business. (Thachappilly,2009).

The cash flow (ccc) has an impact on a firm's performance by influencing both running and finance costs (Samiloglu, 2012). This reported outcome is investigated but also indicates a negative correlation between the operating income as well as the durations with in center of stock transition and overdue gathering.

Thus, it is recommended that management may boost the revenue of a company by reducing the stock due term, the cash flow, and the overdue average payment period (Chung-Chi Shen, 2016). The efficiency of Pakistani industrial companies is assessed using the Cash Flow (ccc). (Uyar A. , 2018) expenses management strategies also influence organizational profitability and performance due to right decision and practices.

From the viewpoint of finance selections, CCC is also very vital to the businesses. When companies with a high CCC profile want supplementary money to subsidize their cashflow, they regularly turn to convertible loans.

A cash conversion cycle (ccc) seems to have an impact on a firm's performance by influencing both running and finance costs (Samiloglu, 2012). To increase their likelihood of doing well, organizations with in industry put a special emphasis on developing adequate cash flows. The earlier research illustrates the immense amount of investigation is being done on profit and business economic condition (DELOOF, 2013).

These disparity among the time needed to process receivables and the time invested in storing stock is indeed the net profit. Modern technology is regarded as one of the greatest weapons that has fundamentally altered traditional banking procedures. Various considerations push banking firms to implement cutting-edge technology practises in order to offer consumers the optimal level of care.

In the following chapter we describe that large portion of study has been performed on profitability and liquidity.

According to earlier research, these innovations have such a favorable and considerable effect on commercial' working capital efficiency. (Eljelly, 2017) claims that profitability research finding is done in order to validate the impact of a business.

Inventory management factors play significant role to manage organizational stock and rude cost of inventory which indirectly influence profitability of the firm (Uyar A. , 2018). (Rasheed, 2012) argued that when profitability increases that when profitability increases so, organizational size also starts to size because of interest in assets.

The performance of the company's financial position is assessed using a key measure called cash conversion cycle. We'll examine various proportion types related to various facets of an enterprise ’s success, including return on assets, corporate capital employed, solvency ratio, and organizational proficiency proportions. Other proportion types comprise accruals proportions and institutional net working capital (DELOOF, 2013)

The assets and liabilities list an institutions or investors capital worth by displaying its resources, debts and net assets whereas the income statement shows the sales, costs and thus the capital gain loss (Bahar Ali M. A., 2018)

The previous studies depict those technologies put positives and significant impact on capital structure performance of banks. Financial Ratio’s analysis is conducted for an entity’s performance evaluation. This chapter describe that large portion of study has been performed on profitability and liquidity. (Dr-Syeda, 2014)

The results of earlier studies show that such innovations have favourable and significant effects on institutions' investment strategies. Scholars continue to discuss whether asset volume and working capital have an effect on financial performance. In hopes of improving performance of financial institutions and improvement, it would be the most essential safety measure to be taken into account.

All sort of business based on making an efficient cash conversion cycle to increase their likelihood of win in the industry. This previous research demonstrates the scope of study on economic profit effectiveness. The assessment of the research highlights the significance of CCC for the chosen organisation and the study’s topic.

2.2 Cash Conversion Cycle:

According to the financial consultant (Chung-Chi Shen, 2016)the cash flow should contribute significantly in order to attain targeted investment targets. The research's major emphasis was on capital appreciation and the cash flow. The optimum cash conversion cycle is proven as being beneficial to reduce running expenses and increase rate of expansion and income (Katerina Lyroudi, 2013).

The company's business profitability increases if financial costs were brought under control, as indicated by Nelegadde 2009 , who not only noted that such financial statement no longer displays an institution's total value, which would be mainly a consequence of removing obligations from resources. As well as the institution's shareholders essentially get a lot of assets in it, that are referred to as shareholders' capital. (Shubita, 2019)

Either the CCC would be that Each company in the industry is exposed to currency risk and if the likelihood of damage is equivalent towards the reward that could be predicted. Another tactic used by professionals to calculate the economic threat to a company is offsetting. optimistic or unfavorable. A strong Cash Conversion Cycle demonstrates that a firm is borrowed for shorter times than what it is expecting for client reimbursements (Hawawini et al., 1986; Jensen, 1986). Negative CCC denotes the length of time a firm must pay vendors despite obtaining money from trading. (Hutchison et al., 2007, p.42; Kieschnick et al., 2006) Accordingly, each firm's purpose is to minimize its CCC, if feasible in a downward direction. Since the CCC is smaller, the operating cash administration is much more productive.

In order to achieve right output or maintain capital investment, research study offered additional software for accounting reports assessment (DELOOF, 2013).The information on the identified firms for the period 2017 to 2021 that was analyzed in this analysis was obtained from company websites and annual reports. (Ceylan, 2021)

Liabilities are a significant source of economic threat for firms. Poor organisational practises potentially lead to some of this scenario. A corporation in the industry is exposed to currency risk and if the likelihood of damage is equivalent towards the reward that could be predicted. Another tactic used by professionals to calculate the economic threat to a company is offsetting begins with new projects and makes capital, thus it rises to the occasion responsibly (DELOOF, 2013).

Also, it confronts investment threat, thus in this research we'll mainly outline the steps that perhaps the organisation takes to determine how to best lower the reduced associated with purchase of stocks. The corporation confronts capital danger of its sustained emphasis on research to locate new. opportunities

There are several variables that force firms to create and put into practise efficient methods to increase their firms maximize the profit. This thesis main focuses is to investigate that how cash conversion cycle influences a company's value.

The financial ratio articles assist in identifying the profitability of a company, when considered alongside of return on capital, overall profit, utilized cash flows, running revenue, and net income. (Murugesu, 2017)

But he pointed out that the leftover property is the net income. Even the cost of good sold after this deducted is derived from annual profit and total receipts is the leftover earning and the management cost, commercial and advertising expenditure as well as interest fees from net earning. (Bahar Ali M. A., 2018)

Examining the implications of the currency conversion process is the target of this research. with all its implications on company performance). It also demonstrates how the optimal cash conversion cycle is seen to be useful for cutting running expenses and maximize rate of expansion and revenue. (sharma, 2018)studied how cash flow affects a return on assets in India

The goal of this study is to help to the controversy's settlement by using statistical method continue providing actual findings for the identified the goal of this study is to help to the controversy's settlement by using statistical method continue providing actual findings for the identified Pakistani companies.

(Katerina Lyroudi, 2013) also demonstrates how the optimal cash conversion cycle is seen to be useful for cutting running expenses and maximize rate of expansion and revenue.

Total revenue is determined by the percentage to a net sale to total income between, where as the net profit margin, While the net income is described as the proportion of retained earning and total sales. This   is an indicator of a firm position to meets its obligation. The liquidity ratio is also called cash flow, is the ratio of current assets and current debt.

Additionally, financiers figure out a quick ratio, which is a ratio of current assets rather than the stocks and the payables are measures of investor financial capacity an entity to meets its current debts Marketable securities are those that could be quickly turned into cash, such as liquidity ratios. (AL-ABASS, 2017)

Total asset Turnover evaluates that why it is an efficient that a firm utilizes its assets to generate revenue. It also demonstrates how the optimal cash conversion cycle is seen to be useful for cutting running expenses and maximize rate of expansion and revenue. (AL-ABASS, 2017)

2.3 Cost of Production:

Financial specialists form the firm’s design and put into practise effective financial techniques (CRPs). Whenever institutional manufacturing price declines, businesses' revenue improves quickly (Uyar A. , 2018)

To enhance the firm productivity and strength efficient methods and processes should always be encouraging, (Qaisar Ali Malik, 2018).Thus, according to him, quick numbers are a fraction of present assets less stock, planned expenses, acknowledged payment fees, and other semi goods, as well as current obligations. The paper details the cash percent as yet another percentage. Even long-term debts are excluded by cash ratio (Rasheed, 2012).

A link among appealing stocks, exchangeable investment vehicles, and monetary equivalents in the ratio and debt instruments in the bottom could be seen in the cash ratio

Nelegadde claimed that perhaps the historical trade payables are a relation among total agreements as well as the mean duration of time throughout which debts are passed over. Records' usual receivable turnover expressed as a percentage of the 365 days in a year and the turnover of records (Nagendra Marisetty, 2020).It shows that it also demonstrates that the optimal cash flow, which, is seen to be beneficial to reduce expenses and increase rate of expansion and profit.

Earlier researches have proven the significance of reduced expenses strategies and their effects on the revenue and effectiveness of companies. (Bahar Ali M. A., 2018).

One example would be the cost counting method to implement reduced pricing strategy, rules and regulations to execution. (Eljelly, 2017) , In a different study, negated strengthened a common theme by concluding even when in route to head the research of inventory and volatility analysis. In order to have a deeper understanding such component is required for developing and identify efficient inventory control. According to him, an evaluation of its inventories is undoubtedly a component of financial advancement.

The earlier researches analyzed the effect of investment decision making on the firm success and effectiveness (Katerina Lyroudi, 2013) Stock turnover policies of the organization directly put impacts on financial performance of firm. To boost sales competitiveness and productivity, price strategies have to be updated and executed well by doing so it will improve the performance of firm. (S.Rabiyathulbasariya, 2017)

2.4 Debts:

The size and debt ratio of the organisation, among other factors, could have a big impact on debt and financial performance. Businesses may undergo money related issues if firms lacked the necessary problems dealing liquidity position and obligations. SMEs may deal in order to see through these economic difficulties.

Expenses expands that has a wide range impact on firms' prosperity. Money managers with in company put a special emphasis on creating the optimal spending approaches to boost organizational effectiveness (Alan S. Blinder, 2015).This modified asset cycle was defined as being related to sales and gross reserves of both the product.

Liabilities are among the largest investment threats that businesses face, because many of the case, weak management practices is what really contribute to this kind of circumstance. By encouraging investment and creating fresh businesses, the business takes sensible precautions. (Bueniasz, 2011)

It is accompanied by analysing the effect receivable turnover on the firm performance. . . As indicated by him numerous substances give admiration and deliver merchandise using a loan. Financial expense put impact on firm profitability.

It means that the customer receives goods or services first from businesses before payment at the time of purchase and often dines after a certain amount of time that is selected at the time of purchase (Dr-Syeda, 2014). Jenkins stated in a piece that different ratios aid in our learning about a product's financial performance.

He claims that flexible budget and modified price are the most important factors. Indirect costs are those that depend on the number of units produced and transactions, whereas fixed costs are those that have been incurred regardless of the number of works performed. (Bahar Ali M. A., 2018)

Just several examples of various cost include rent, security, wage levels, and so forth. In addition, only few samples of various cost include price of the product, freight charges, packaging charges, and etc. These Expenditures have an effect on the value of businesses. (Bueniasz, 2011)

The interest range ratio, which is a correlation between prior interest and evaluation (PBIT) and interest utilization, was also addressed in regard to financial expenditures which have an influence on a company's value. At the one side, the use of liability resources could aid in expanding the activities of the component and enhancing returns to owners.

However, excessive obligations may indicate that the company may believe it is difficult to increase capital during periods of increased sales (Ceylan, 2021).

2.5 Size of Firm:

Firm size put impact on overall ongoing operations of the firm in perspective of profitability and Performance (Dr-Syeda, 2014)). Financial analysis as per Gopinathin Thachappily (2000), is carried out to assess the profitability of a firm.

Usually, this research was conducted with the stakeholder thought. In order to analyse an institution's effectiveness and make it clear for ordinary people because they are the one who decide to participate in stock, so figures should be put in simple words in the statement of financial position so that it can be easily understood.

Payback period and revenue are crucial considerations for enterprises. Company volume enhance as the industrial range expands. Business spends in enterprises as well as establishes new businesses, hence it plans ahead responsibly (AL-ABASS, 2017)

It also demonstrates how the optimal cash conversion cycle is seen to be useful for cutting running expenses and maximize rate of expansion and revenue (Katerina Lyroudi, 2013). (Alan S. Blinder, 2015)Examine numerous statistic groups related to various facets of an organization ’s economic, such as earnings per share, corporate leverage, solvency, managerial proficiency proportion, credit payable, and cash flow of companies: The financial statement and the statement of comprehensive income are two crucial declarations in the set of accounts, as James Clausen highlighted in his publication.

It also demonstrates how the optimal cash conversion cycle is seen to be useful for cutting running expenses and maximize rate of expansion and revenue. A capital structure describes an institution's worth by showing its holdings, debts, and shareholders’ funds, even though a summary of income statement includes activity, expenditures, and eventually the gain and deficit.

The Cash Conversion Cycle's duration is greatly affected by the company 's size. The findings of this study on retail businesses demonstrate that the cash conversion cycles of bigger corporations are smaller. (Stine -Moss, 1993) When the cash conversion cycle is checked with the current and quick ratio, a substantial strong relation is observed. There is a strong relationship between the profitability and liquidity (Eljelly, 2017).The findings indicated that the profit and cash conversion cycle had negative link.

Total assets and sales revenue are used to determine a company's size, while return on equity and return on assets are used to determine profitability. Compared to companies with higher CCC, those with smaller CCC are far more valuable.

The power of the corporation to maintain its cashflow determines the size. According to studies, a firm's size and composition have such a great influence on how well it succeeded (Muhammad Yasir, 2018) the relation between SME business return on assets and the cash flow, firm size, and company age is explained by (Yasdanfar - Ohman ,2014). because then the enterprise may help manage its income. A rapid cash cycle is the one that influences cost reductions and increased profitability

2.6 Inventory Turnover:

Investors and lending institutions also calculate a quick ratio is the ratio of current assets other than inventory to current liabilities, indicating the ability of the entity to pay its short-term liabilities using current assets other than inventory, that ratio is used by investors and lending institutions to determine if an entity seems to have the potential to sustain its liquid obligations using retained earnings besides merchandise, whether needed. All of this assesses liquidity position in terms of liquidity and is also referred to as the solvency ratio.

Currency is a resource that could be turned into cash and thus is regularly alluded to as a quick investment (Ceylan, 2021). Gopinathan In a different paper, Thachappily emphasized proportions once again, stating that a substance can lose its dependability if it is unable to pay up its current obligations with the help of its current obligations and capabilities. According to him, perhaps a business having good production may experience a temporary financial crisis since short-term business often forces stocks and other factors to become impractical for an extended amount of time.

Failure to pay the short-term obligations could result in bad reputation. (Bahar Ali M. A., 2018) says that current weighting is the relationship between current resources and short-term debt, although current weighting forbids inflexibility. The entity's earning potential off from its daily obligation is adequately represented from existing funds.

Thus, according to his, quick numbers are a fraction of present assets less stock, planned expenses, acknowledged payment fees, and other semi goods, as well as current obligations. The paper details the cash percent as yet another percentage. Even long-term debts are excluded by cash ratio. That's how currency ratio actually does work: it's a link among marketable securities, tradeable currency equivalent, and current debt s in the bottom. (Bueniasz, 2011) Solvency ratio aids in funds management by identifying the potential quick money difficulties. Nelegadde claimed that perhaps the historical trade payables are a relation among total agreements as well as the mean duration of time throughout which debts are passed over. Records' usual receivable turnover expressed as a percentage of the 365 days in a year and the turnover of records (Nagendra Marisetty, 2020). It shows that it also demonstrates that the optimal cash flow, which, is seen to be beneficial to reduce expenses and increase rate of expansion and profit.

While Diane in a research specificized that that such a vital statistical technique that analyzing how well collections process’s function is making history. This would be accomplished by calculating the ratio of data liquidity ratio. He said, many substances provide management and delivery services with the help of a debt

These suggests that the customer receives goods or services of a business despite the needs to pay up advance, usually after a predetermined period that is selected at the point of purchase. (Diane,2008). The rate of return of resources that indicates productivity. and enhances the profit margin of the business (Nazir, 2014).

2.7Average Collection Period:

The time it would take to grab money from a consumer (ACP). It is used in previous studies as independent variable to improve their sales efficiency; the organizations should reduce their normal gathering period. It is vital to lower the existing Ave the effectiveness of a collection system and strategies is determined by how actively or delicately it follows sluggish accounts.

A strict approach could accelerate payments, but it also might upset clients, who might then move their business elsewhere. Due to the growing concern about incurring losses and ultimately revenue, factoring is rare in WSP.rage collecting duration if they have been to enhance their financial results.

2.8 Profitability:

Effective cash conversion cycle (CCC) improves the financial success of the enterprise. Profitability has been used to describe the rate of investment return. James Hutchinson in2010 strengthened a common theme with respect to the object's required worth ratio. As per Hutchinson in 2010 strengthened a common theme with respect to the object's required worth ratio provides information on the impact pattern of such an element.

Then it is performed by dividing the total liability of each constituent by the net amount. (Hutchinson,2010) Nelegadde in 2010 discussed obligations and gains, emphasising how liabilities are a significant factor for keeping an object's potential to melt. (Nelegadde, Debt Thachappily talked about operating income in 2009. Collection and debt recovery tool Using Credit Insurance and Debt Collection Agencies,2010).

Thachappily talked about (operating income) in 2009. According to him, EPS is a ratio among a firm's earnings of shares. Liked wise discusses (PE)ratio, which he defines as the ratio between a portfolio's selling price of stock and operational revenues a ratio of a stock's market it is the relationship among both annual total sales and value of shares. . Profitability is defined as the net income employed, but also the rise in the firm's turnover rate (Uyar A. , 2018) Rate of return and profit are crucial considerations for corporations.

Company size inherently rises as the industry scope broadens. It grows while analyzing activities, endeavors, and scale competitiveness. Jenkins mentioned in a paper stating most vital things in budgetary execution of substance are variable cost and altered cost.

Indirect expenses are those which depend on the number of units produced and operations. Quantity of unit produced, settling costs are those expenses incurred, whereas Rental, insurance, rates of pay, and other expenses are some examples of fixed costs. Additionally, several examples of various cost comprise production costs, freight charges, packaging expenses, etc. Furthermore a few cases of variable expense incorporate cost of generation, cargo costs. bundling costs and so on (Alan S. Blinder, 2015). The goal of professionals is to design and put into practise solutions that will maximize the net profit (Shubita, 2019).

Cash management is a major component of financial performance. Other sections comprise short-term credit analysis, credit management, and stock control. In order to balance financing future versus resources and to finance commercial raising money, cash account must be employed. Liquidity arranges so that the industry can satisfy the financial requirements and remain profitable According to (Uyar A. , 2018).The length of time it takes for a company to obtain input materials stock, and transform it into finished goods, trade such things, and thereafter eventually get money is known as the business cycle.

It consists of 2 varieties: short operating cycle and extended operating cycle Even though this research was performed on specific firms, its findings can be used to improve organisational Efficiency. According to the business analysts, the cash conversion cycle is necessary to attain the targeted corporate objectives. This finding's likely interpretation is that the business may not require external funding while the CCC is relatively short, which would result in a lower borrowing cost. Profitability rises as a result.

Profitability is the return on investment of assets and enhances the profit margin of the business. (Nazir, 2014). This finding's common interpretation is that the enterprise may not want external funding while the CCC is relatively brief, which would result in a lower borrowing cost. Profit improves as a result.

2.9 Analysis of literature Review:

The primary goal of the company is to improve its financial health, so this study focuses on manufacture sector of Pakistan and the firm listed on stock exchange and highlights the problems which occur due to weak cash conversion cycle. The fundamental analysis reports showing performance that profitability is decreasing slowly as compared to proceeding time span

The earlier research demonstrates the extensive amount of studies on profit and company capital structure. (Samiloglu, 2012). In Pakistan, (Nazir, 2014)studied the sugarcane industry, and (Uyar A. , 2018) looked into issues pertaining to a chosen subject matter.

A number of variables were used to evaluate a firm's productivity. increase the cash flow and profits. These elements comprise cash flow, productivity, and the cash conversion cycle. (Blinder ,2015).

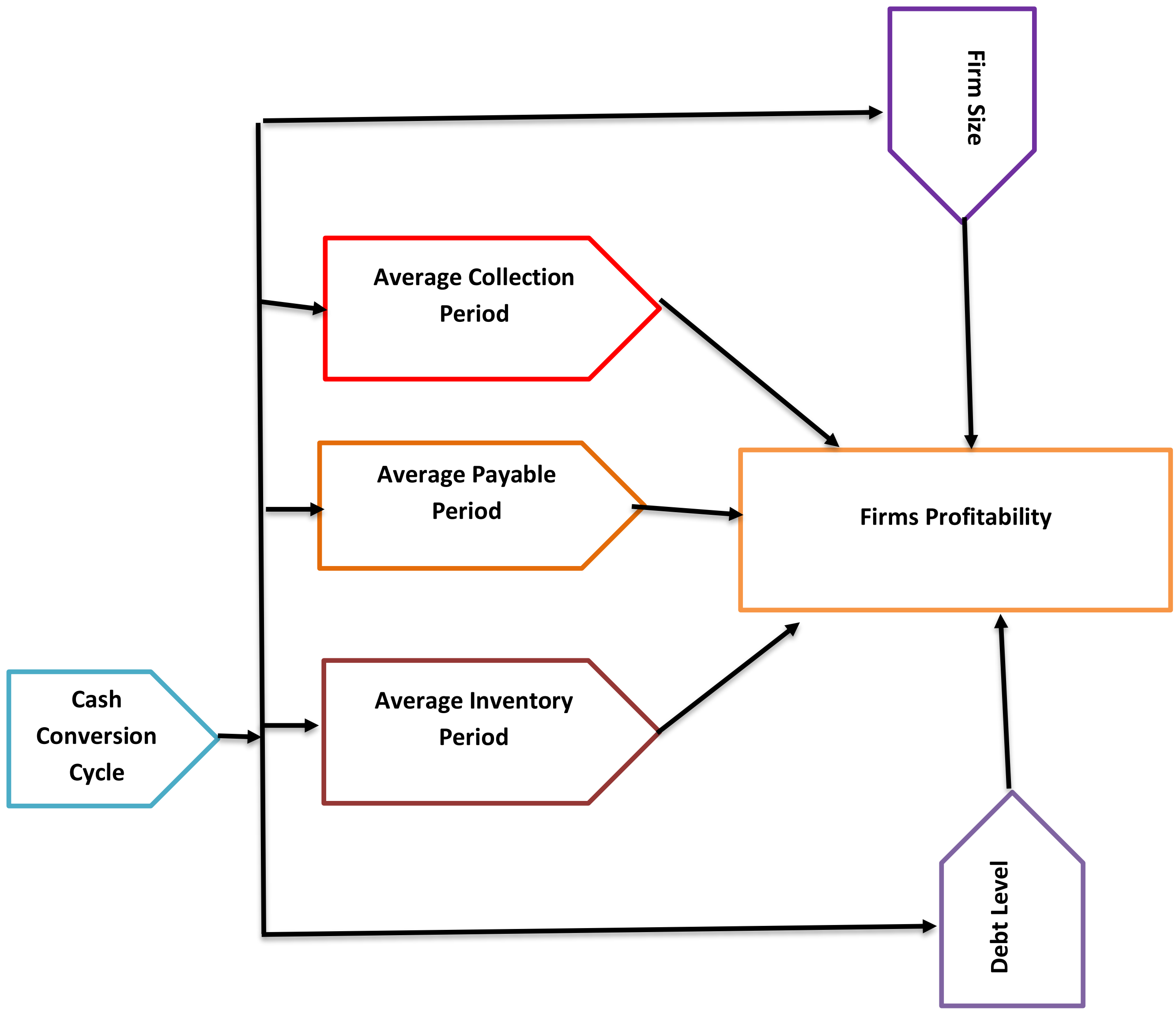
Studies have found that an organization's various portfolios can benefit from using an optimal and promising cash conversion cycle (ccc) (Chung-Chi Shen, 2016).

The management and the other specialist have the ability in organisations to make sensible choices the affects the financial sustainability of those entities (DELOOF, 2013). And in most of the organization manager invested a lot of efforts and funds in creating techniques to increase the profit margin.

Positive correlation exists between business size and profitability since larger firms are more profitable and younger enterprises are more likely to have high profits. Therefore, both large and small businesses are more likely to be profitable if their CCCs are short (AL-ABASS, 2017). (Lazaridis and Tryfonidis ,2006), The performance of the company's financial position is assessed using a key measure called cash conversion cycle.

2.10 Theoretical Framework

The theoretical framework displays the relationship between the study's independent and dependent variables. Five factors in all were used in this research to build a conceptual basic. Profitability was selected as dependent variables. Inventory turnover, cost of production, size of firm, total assets.



Firm Size
Average Collection Period
Average Payable Period
Firms Profitability
Cash Conversion Cycle
Average Inventory Period
Debt Level

2.11 Hypothesis:

- Cash conversion cycle has significant relationship with profitability
- Profitability is significantly related with a company's size.
- Debt and profitability are significantly related with each other.

Chapter: 3 Research Methodology

3.1Research Methodology:

This chapter gives details on each step of the analysis. the methodology used to acquire the data, the procedures involved in its analysis, the sampling method, and the study's target population . To finish this research project, all of these procedures are briefly explained.

3.2 Data of the Study:

Knowledge or items collected by investigators in scientific studies to conduct analysis and draw conclusion are known as data. For the sake of this study's analysis, secondary data were considered, and the facts and figure were obtained from the company's website.

3.3 Sample size:

A size of the sample is a collection of items that a researcher chooses from the article's intended audience. 52 industrial companies registered on the Stock Exchange provided secondary information for this study. Trade using a statistical co-relational research methodology for the years 2017 through 2021. There are 390 firms in all. And size of sample present 13% of entire population. This is lifted up by the via way of means of reasoning behind Gay and Airasian's (2000) stated that a pattern length of 10% is enough for analysis

Sample size formula $n = N/(1+Ne^2)$

3.4 Statistical tools:

Statistical instruments are being utilized to evaluate the respondent data that has been gathered for the study. In this study, multiple statistical methods and techniques were used to determine the data.in order to test hypotheses. To test hypotheses, correlation, regression, and descriptive statistics were used. The data for the proposed research study was analysed using EViews ..

3.5 Population:

The study is conducted on manufacturing sector of Pakistan listed on Pakistan Stock Exchange. In the research process there are almost 30 industries. The population consist of 390 companies sample size represent 13%of entire population.

3.6 Period of Study:

Data from five years of financial records, from 2017 to 2021, are taken into account.

3.7 Data Collection:

In this project, research publications were used to gather secondary data for the literature review. The business's database provides the numerical information for this research. as well as n financial record of test hypotheses and conclusion of the study. N is the number of observations. That is 210.

3.8 Type of study:

Since mathematical information was obtained from the firm website and processed by software to provide results, the study was of the quantitative variety. This paper investigated how independent variables can influence the dependent one was extensively reviewed.

Accounts receivable, inventories, and accounts payable are used to calculate the CCC duration. The total assets and revenues of a company are used to determine its size. Return on assets and return on equity are two metrics used to assess profitability.

3.9 Research Approach:

To perform this study, a deductive approach method was applied. Instead of developing a theory that go from particular to the general, theory testing was being used, as per this concept.

3.10 Data:

In this chapter data analysis steps and procedures are defined into detail to draw conclusion and results. The following steps were performed into data analysis, reliability statistics, correlation to test hypothesis for this proposed study.

This table is taken from the research journal of finance and accounting (Bahar Ali M. A., 2018)

Variables		**Measurements**	**Abbreviation**
Dependent variables	Return on Assets	profit/total assets	ROA
Independent variable	Cash Conversion Cycle Average collection period Inventory turnover in days	ACP+IT-APP Account receivable/Net sales*365 Inventory/CGS*365	ACCC ACP ITID
	Firm size	Natural log of sales	NLOS
	Debt	Total debt/total assets	debt

Chapter 4: Data Analysis

In this chapter data analysis steps and procedure are defined into details to draw conclusions and results. The following steps were performed into data analysis, reliability, statistics, correlation, regression to test hypothesis for this study

4.1 Model:

Pro (ROA) = $\alpha + \beta 1 Size + \beta 2\ DEBT + \beta 3\ CCC + Eit$

Where **ROA** is return on assets, α is a constant term

$\beta 1$, $\beta 2$, $\beta 3$ are coefficient of slope and E = error term

CCC= cash conversion cycle

4.2 Descriptive Statistics:

Variables	**N (samples)**	**Min**	**Max**	**Average**	**Standard. Deviation**
Profitability (%)	210	-46.8	113.2	4.96	13.703
CCC (in days)	210	-401.7	676.4	38.15	127.953
SIZE (ln)	210	8.9	17.4	16.95	1.7950
DEBT (%)	210	11.7	465.8	69.92	50.36

Where as Profitability (Prof), CCC (Cash conversion Cycle), Size of Firm (SOF) Debt (Debt level). Regression model and Pearson correlation have been used. Table displays the statistical average, standard deviation, and lowest and highest ranges.

The mean represents the average value where as Standard division shows the dispersion related to mean. Financial performance of the firm is measured by the Profitability/ ROA. Regression technique is used to evaluate the level to which the cash conversion cycle seems to have an effect on the financial performance. Correlation method is used to assess the link between the profitability and liquidity. Consequently, there is tremendous benefit in considering how the cash conversion cycle affects overall profitability.

In our case the Profitability mean value is 4.96 % which indicates that manufacturing provides Rs 4.96 for every Rs 100 rupees spent. However, Std. deviation of 13.70 %.

Minimum cash conversion time is -401.7 days. The negative CCC value shows firm already received the payment from the buyer. The sample represented here is collected from various industries, therefore every sector has its own set of rues and standards which creates different changes in the company elements.

4.3 Correlation Analysis:

Below are the tables that indicates the analysis of sample data

Pattern and extent of the relationship among all parameters are revealed by connection, that has a value between +1 and -1. A value of +1 indicates a perfectly favorable association between the variables, a level of -1 a negative n correlation, and a value of 0 implies no connection between variables. Furthermore, multicollinearity challenges with variables are underlined. The degree of a linear relationship between two variables is demonstrated through correlation.

4.4 Correlation Matrix:

		ROA	CCC	SIZE	DEBT
ROA(prof)	Pearson Correlation	**1**	**.144***	**.200****	**-0.317****
	Sig. (2-tailed)		**.04**	**.0021**	**0**
	N	**210**	**210**	**210**	**210**
CCC	Pearson Correlation	**.144***	**1**	**-0.069**	**-0.061**
	Sig. (2-tailed)	**0.04**		**.271**	**.2743**
	N	**210**	**210**	**210**	**210**
SIZE (SOF)	Pearson Correlation	**.200****	**.069**	**1**	**-0.289****
	Sig. (2-tailed)	**0.0021**	**.271**		**0**
	N	**210**	**210**	**210**	**210**
DEBT	Pearson Correlation	**-0.317****	**-0.061**	**-0.289****	**1**
	Sig. (2-tailed)	**0**	**.2743**	**0**	**0**
	N	**210**	**210**	**210**	**210**

The above table shows that the Correlation matrix for **CCC** is positively correlated with **ROA**. At alpha, the results are 5 %. Coefficient of 0.144 with P-Value (0.040) The positive coefficient

means the corporate return increases as the length of CCC increases. Further more the positive association indicate that if the length of the CCC increase it will lead to higher return for firms.
Similarly, the Correlation matrix for **SOF** is positively correlated with **ROA**. The results are significant at alpha = 1 %.
Positive coefficient of 0.21 with P-Value (0.0021) of SOF and ROA. This shows that's if the size of enterprise is increased the businesses will generate higher return.
However, there is a negative relation between debt and return on assets ratios in correlation. The correlation coefficient for the two variables is -.317 with a p-value of (0.000) and this value is highly significant at alpha is 1%. Between the debt ratio and return on assets, there exist a significant negative relationship
After controlling for data heteroskedasticity to lessen the effects of outliers, regression analysis is performed to examine the connection between the researched variables. Such a thorough regression study determines the impact and connection of one variable with another.

The duration of CCC is seen to have a beneficial impact on organizational performance relying on the regression's conclusions. Regression method is used to analyze the relationship between the independent variables

4.5 Hypothesis Testing:

variables	Coefficient	STD Error	T-Statistic	Probability
C	117.3454	38.961	2.98312	0.0029
SIZE	-8.017117	2.37083	-2.78412	.0049
DEBT	-0.056278	.03175	-1.598619	.091
CCC	.041234	.0134	3.72503	2E-03
		Model summary		
R-squared		.578324		
Significance		0.000		
f- statistic		3.036913		

In the ordinary production industries, the outcomes of these observed tested the period of CCC has a major effect on company sales. Even though investigation relied on the OLS regression technique, additional study could potentially employ multiple assessment techniques to evaluate the link. The above precis desk suggests substantial values of CCC in relation to ROA.

R^2 is .578324 that demonstrated that the explanatory variables CCC indicate 58% variation in the criterion variable that is dependent variable. All of the element in the regression method has significant coefficients. This model's total fitness is represented by the F statistic. The overall statistics shows the model overall fitness. CCC has a positive coefficient of 0.041234 and a t-statistic of 3.72, according to regression analysis. CCC (in days) has a direct relationship with company’s profit. The positive correlation coefficient between cash conversion cycle and ROA shows that increases in the length of CCC will lead to higher corporate return. Our hypothesis 1 is accepted

This positive value among cash conversion cycle and financial return (ROI) indicates that as the period of the CCC rises, so does the corporate return. If resultant coefficient of CCC is 0.4 which mean that if their increased by one unit in CCC then ROA will increase by 0.4%, ROA will be enhanced by. Increases in CCC of 4% and 100 units will result in a 4% rise in firm profitability, with a p-value of 0.0002 indicating a substantial influence on ROA. Our second hypothesis is accepted CCC and ROA are significantly related that is they are positive related.

The coefficient correlation among debt ratio and profitability is negative, indicating that a high level of debt has a negative impact on a firm ’s value, i.e., a greater debt level lower corporate return. So our third hypothesis is also accepted. According to the finding the debt has negative relationship with ccc which indicates that our hypothesis is accepted. According to the findings of the regression, the frequency of CCC has a significant influence on the success.

The duration of CCC is seen to have a beneficial impact on organizational performance relying on the regression's conclusions.

Chapter: 5 Conclusion and Discussion

5.1 Conclusion:

The cash conversion cycle reveals the company's cash flow. The administration of liquid assets is critical in finance for both large and small businesses. The cash cycle is a key component of payment processing, and it is necessary to boost a company's financial performance. It does, however, illustrate how effective a company is at paying bills, gathering receivables, and transforming goods into cash. It does, though, demonstrate how successful an organization is at making payments, recovering receivables, and turning goods into money.

Decreasing the CCC time span can enhance revenues and lower the recovery span of debts, shrinking or reduce the trading periods of stock, and extending the credit repayment period The industries must effectively predict and analyse the business's investment returns. The objective of this research is seeing how CCC influences performance of the company.

The cash conversion cycle is a potent metric for analyzing whether a production firm's cash flow is maintained. It gives encouragement to the finance advisor in determining the average inventory collection and return span. According to the findings, there is a healthier association between CCC duration of company profit. It would indicate that CCC tenure has a positive impact on company profit.

Every producer should be conscious of the implications of the cash conversion cycle since this facilitates finance professionals in assessing the total inventory duration, which would be demonstrated by the number of days a firm's funds has been halted in the cycle of operational processes from the production of inventory to its sale.

When analyzing how effectively an industrial firm's capital investment is really being maintained, the cash cycle is a very significant tool. Additionally, by effectively controlling the cash conversion cycle, money advisors can minimize the threat of potential liquidity problems and disaster. The industries must effectively predict and analyse the business's investment returns.

It is established that the higher the CCC's circulation in days, so less cash would be spent in shorter investments and, as a result, money spending would be greater, resulting in a better degree of productivity and income. Surprisingly, the outcomes of this research demonstrate that revenue is highly positively associated to CCC in terms of financial performance. Because of the strong link between CCC and increasing profits, extending CCC duration has a beneficial impact on firm performance. This study's findings are in line with Lyroudi and Lazaridis 2000, and (Bueniasz, 2011)

To enhance the firm productivity and strength efficient methods and process to boost sales profits and productivity, expense methods of production should be updated and easily applied. and profitability should always be encouraging. manufacturing needs to be improved to, (DELOOF, 2013)

The research is confined to the industrial sector in Pakistan, where there are few studies on CCC. Many researchers can utilise gross profit, net profit margin, or EBIT to further analyse this study.

The research has various ramifications and is expected to be highly valuable to companies, scholars, and analysts, since it outlines the payment processing effectiveness of specified sectors and its results, as well as contributing in the construction of some important benchmarks in those sectors.

5.2 Discussion:

When it comes to achieving targeted goals and objectives, the financial health of the firm is critical. In contemporary days of cutthroat competition, it is deemed critical for survival as well as for thrive. Every business strives to increase its profits and revenues in the marketplace. (Eljelly, 2017).By analyzing enterprises of varying dimensions, but also time intervals of different lengths, future researches may create a lot of ideas.

When the expenditure of spending in capital investment is larger than that of the returns of engaging in cashflow, performance may decline.

Examine many ratio categories to examine various elements of an organization's financial performance, such as revenue and cash ratio. The optimum (CCC) will help to save operational costs and maximize organizational size and profitability (Katerina Lyroudi, 2013).A financial statement, which includes an organization's assets, debt, and shareholders' funds, shows its total wealth.

While the gains, losses, and turnover costs both are included in the income statements. The assessment of such data employing financial ratio that demonstrates the success of the organisation. The economy by which the resources are employed to produce sales, and the link between the assets and profitability. The cash flow (ccc) also impacts administrative and financial costs, which have an effect on a company's efficiency (Samiloglu, 2012).

The significance of the Cash Flow and its influence on business performance are mentioned in this report. Regardless of the fact that this research was held on a specific company but, its outcomes would be used to promote quality cash flow cycles (CCC). To run a successful business smoothly, the executive managerial and financial specialists invested a significant amount of funds.

The fastest and most suitable cash conversion cycle (CCC) try to encourage business future growth potential has been shown in earlier research. The past research demonstrates the massive proportion of studies that have been done on financial productivity and profitability. (Samiloglu).

Businesses' primary purpose is to maximize their economic health. Hence, the industrial sector is the subject of this study. The above research recognizes the significance of the cash flow and the influence it has on business profit and productivity.

In addition, these enterprises must try to enhance their revenues by maximizing their cash flow in order to optimize income due to the evolving international trade, technological innovations, and greater worldwide rivalry among manufacturing enterprises. performance. Regression method is employed to investigate how the independent factors relate to one another. The efficiency may succeed or fail with a lengthier cash flow. The financial performance will enhance with a smaller cash conversion cycle.

Whereas this study is based on a chosen firm, its outcomes could be used to promote cash conversion processes throughout other enterprise. There are some variables that the enterprise design and put these in action in order to improve financial performance. These variables are There are certain factors that persuade organization to design and to put in action in order to improve financial performance. these factors are liquidity cash conversion cycle and financial settlement, liquid funds, and cash flows.

Past research indicates the significance of retained earnings and the cash ratio. (Blinder, 2015). This particular research is done exclusively on Pakistan's industrial sector, these examples demonstrate the context and significance of the suggested research project. So, hypothesis is accepted. So, the company's size and borrowing have substantial influences on the company revenue. This article's results were in line with those of Lyroudi and Lazaridis 2000, Gill et al. (Bueniasz, 2011)

5.3 Future Recommendation:

Because sample firms are randomly selected associated with high market capitalization in this analysis, the precision is dependent on the sample units, therefore the results may change if someone else employed alternative sampling techniques.

Sample size can be increased.

Future study may analyze the impact of additional components on financial results, such as competitive risks, investment risk, production lines, and technologies, among several others.

The research is confined to the industrial sector in Pakistan, where there are several studies on CCC. Numerous researchers can utilise gross profit, net profit margin, or EBIT to further analyse this research.

By analyzing enterprises of varying dimensions, but also time intervals of different lengths, future researches may create a lot of ideas.

5.4 Managerial Implications:

Research done in this study is helpful and significant for decision makers and executives of the companies. It will facilitate them to create, apply and improve strategies concerning cash conversion cycle. These strategies help financial advisor to improve profitability and productivity of the firm by increasing cash conversion cycle policies, standard, rules and regulations. The company returns will be increased due to best financial decision and policies in the manufacturing sector pf Pakistan.

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