ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

A STUDY ON FINANCIAL ANALYSIS OF SELECTED INDIAN TEXTILE COMPANIES

Ms. Christy Gnana Mary J[1], Mr. M. Selva Kumar[2], Dr. C. Rajalakshmi[3]
[1]*MBA, Sakthi Institute of Information and Management Studies, Pollachi.*
[2]*Assistant Professor, Sakthi Institute of Information and Management Studies, Pollachi*
[3]*Associate Professor, Sakthi Institute of Information and Management Studies, Pollachi*

ABSTRACT
The Indian economy is very beneficial from the textile industry. This is one of the largest Indian industries in terms of generation of foreign exchange and jobs. The primary focus of paper is the power of the financial situation of the Indian textile sector. And to understand to what extent the textile sector has so far used its resources. For this reason, the profitability, liquidity and solvency positions of textile enterprises were examined. This article uses a method of analyzing a comparative ratio to assess the financial reliability of textile companies. Calculation of expenditure related to getting cash on the best conditions and distribution of available means among the most advantageous applications.

KEYWORDS: *Financial Analysis, Indian Textile Industry, Ratio Analysis, Profitability, Liquidity, Solvency, Financial Performance.*

INTRODUCTION

The textile sector, one of the most important and most important industries, contributes to a large contribution to the national economy in terms of industrial production, export income and employment. It is a sector of work demanding, which is vital for socio -economic growth of India, especially in rural and radius regions. On the rudge of a competitive worldwide market, the Indian textile industry will now build both opportunities and problems as a result of globalization and liberalization. Financial analysis is the basic tool for assessing performance, stability and profitability of the company. It facilitates the process of decision -making for all parties, including investors, managers and legislators. Given the susceptibility to the variable textile industry on variables, including raw material prices, government regulations, shifts in the demand and dynamics of global trade, financial analysis is even more important in this environment.

REVIEW OF LITERATURE

Gupta, S. & Mehta, A. (2016) The authors analysed the post-recession financial strategies of textile firms and found that cost-cutting measures and export diversification helped many companies recover and improve their solvency positions.

Patel, N. & Shah, H. (2018) This paper focused on the comparative financial analysis of private vs. public textile enterprises in India, indicating that privately-owned firms showed better profitability and operational efficiency due to less bureaucratic constraints and more flexible financial practices.

Paul, G. (2023) In the article "A Study on Financial Performance Analysis of Selected Listed Textile Companies", Paul employed comparative ratio analysis to assess the financial soundness of textile companies. The study concluded that consistent financial reporting and efficient management practices are crucial for maintaining financial stability in the textile sector.

Marimuthu, K.N. (2023) In the study titled "Financial Performance of Textile Industry: A Study on Listed Companies of Tamil Nadu", Marimuthu analysed the financial health of textile firms in Tamil Nadu. The research highlighted the significance of liquidity and working capital management in sustaining profitability, emphasizing the need for efficient fund utilization to avoid losses.

OBJECTIVES

- To analyse the profitability, liquidity, and solvency positions of selected textile companies.
- To compare the financial performance across different companies.
- To identify key financial trends and patterns over recent years.

COMPANY PROFILE

1.ARVIND LIMITED

Arvind Limited (formerly Arvind Mills) is an Indian textile manufacturer and the flag company Lalbhai Group. Its headquarters are in the birth, Ahmedabad, Gujarat, India and has units in Santej (near Kallol). The company produces fabrics of cotton, denim, knitted and lower weight (khaki). In 2011, she also recently embarked on a technical textile with the Advanced Materials Division division. The company is the largest Indian manufacturer of Denim. Sanjay Bhai Lalbhai is the current chairman and general director of the Arvind and Lalbhai Group. At the beginning of the 80s he led "Reno-Vision", when the company brought denim to the domestic market, starting jeans of revolution in India.

2.GRASIM INDUSTRIES LIMITED

Grasim Industries Limited, the flagship of the Aditya Birla group, is one of the best publicly mentioned companies in India. In 1947 and began as a textile manufacturer in India. Today it has evolved into a leading diversified player with the presence of leadership in many sectors. It is a leading global cellulose fiber producer, diversified chemicals, fashion yarn and fabric manufacturer in India. The company introduced another phase of transformation growth route and entered Paints Business

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

under the brand "Birla Opus". Of the six plants to be set up for the production of decorative colors in the places of Mr. India, five plants have begun.

3.TRIDENT GROUP

Trident Limited will be involved in manufacturers, shops and sales of textiles, papers and chemicals in India, the United States and internationally. The company operates in four segments: yarn, towels, beds and paper and chemicals. It offers a ced, a special open end, air current, card, organic cotton, core, mixed, Eli-Twist, slub, compact, air rich, certified cotton, Mélange, dye, gas, zero plot, cotton; and home fabric, including spa and bed products. The company provides branded copier, writing and printing Maplelitho and Bible and Offset printing products; and LR/AR acid, which uses batteries, to produce zinc sulfate, alum, dyes and detergents. It also exports its products. The company was previously known as Abhishek Industries Limited and in April 2011 changed its name to Trident Limited. The company was founded in 1990 and is based in India Barnala. In just three decades it takes vision to increase to the company billions of dollars. Creating a brand on a global scale requires endurance in a domain that embodies hard competition.

4.VARDHMAN

Vardhman Group is a textile group based in Ludhiana, Punjab, India, that was established in 1965. The group is engaged in manufacturing and trading in Yarn and Processed Fabric, Sewing Thread, Acrylic fiber and Alloy steel. Vardhman group was incorporated in 1962 as Vardhman Spinning & General Mills (VSGML). The company was promoted by VS Oswal and RC Oswal initially and is now headed by S. P. Oswal Jain. The total number of employees in the company as of April 2011 is 23,000.

5.WELSPUN LIVING LIMITED

With our immense global presence in over 50 countries and a strong team of over 26,000 home textile manufacturers in India spanning varied ethnicities, cultures, and geographies, we have acquired global leadership in home textile products and line pipe. In order to stay prominent across all our businesses, we constantly strive to provide our customers with a delightful experience through innovation and technology.

RESEARCH METHODOLOGY

The current study evaluates the financial performance of several selected Indian textile companies using descriptive and analytical research methodology. The study of the study is secondary data collected from publicly available annual reports, stock market submissions, financial databases such as money control and screen.in and other trustworthy Internet resources. The sample of known textile companies listed in the Indian stock markets was selected using the technique of purpose sampling. The selection process takes into account various aspects, including market capitalization, availability of reliable financial data and the importance of companies in the textile industry. Each company's financial health is evaluated using key financial statistics such as liquidity, profitability, solvency and efficiency ratios.

Sample Selection

The study examines five leading Indian textile companies namely Arvind Limited, Grasim Industries Limited, Vardhman Textiles Limited, Welspun India Limited and Trident Limited.

Data Collection

The secondary data were collected from the annual reports, the company's website and financial databases for 10 years (2014–2024).

Tools for Analysis

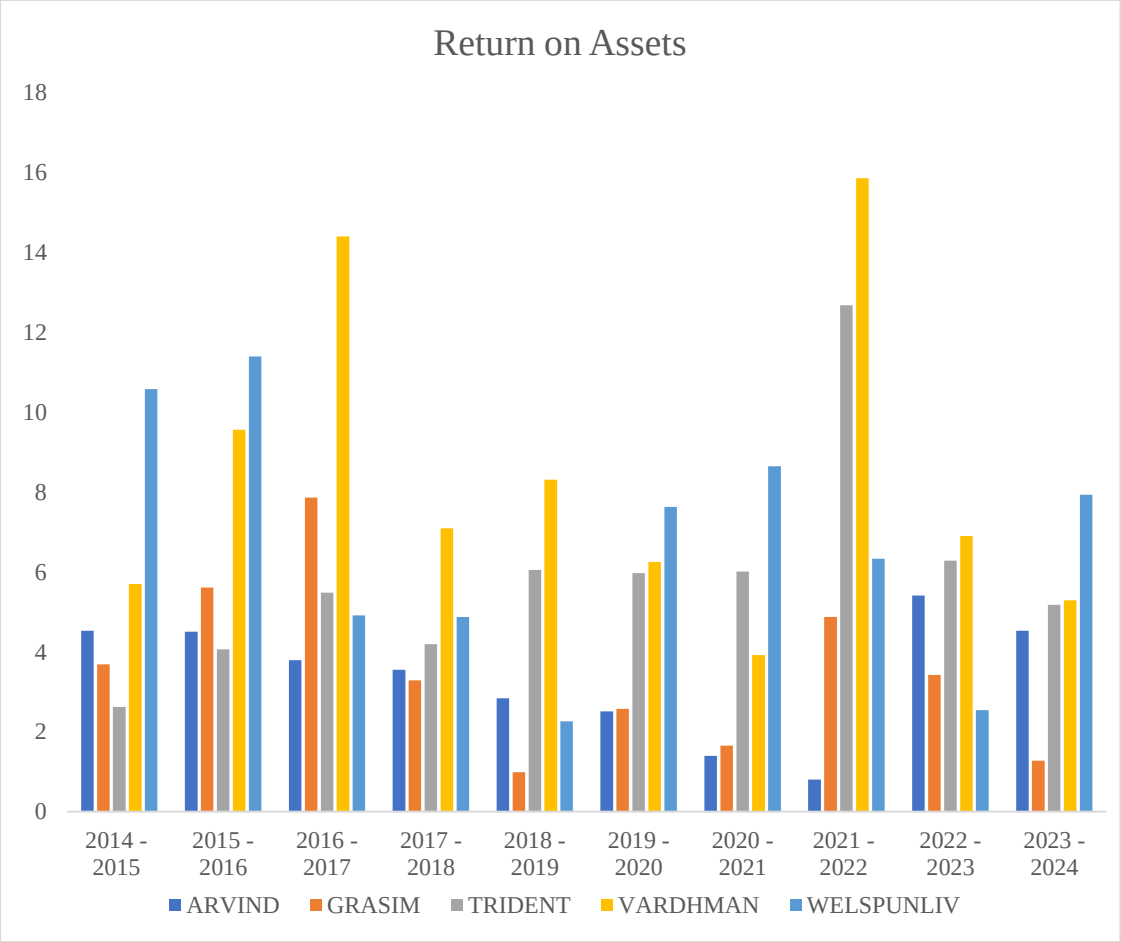
Ratio analysis (Profitability Ratios, Liquidity Ratios, Solvency Ratios)

FINANCIAL ANALYSIS

PROFITABILITY ANALYSIS

Return on Assets (ROA)					
Year	**ARVIND**	**GRASIM**	**TRIDENT**	**VARDHMAN**	**WELSPUNLIV**
2014 - 2015	4.53	3.69	2.62	5.7	10.57
2015 - 2016	4.5	5.61	4.06	9.56	11.39
2016 - 2017	3.79	7.86	5.48	14.39	4.91
2017 - 2018	3.55	3.29	4.19	7.09	4.87
2018 - 2019	2.84	0.99	6.05	8.31	2.26
2019 - 2020	2.51	2.57	5.97	6.25	7.63
2020 - 2021	1.4	1.65	6.01	3.92	8.64
2021 - 2022	0.8	4.87	12.67	15.85	6.33
2022 - 2023	5.41	3.42	6.28	6.9	2.54
2023 - 2024	4.53	1.28	5.18	5.29	7.93
SD	**1.48**	**2.13**	**2.66**	**3.92**	**3.11**
Mean	**3.39**	**3.52**	**5.85**	**8.33**	**6.71**

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188



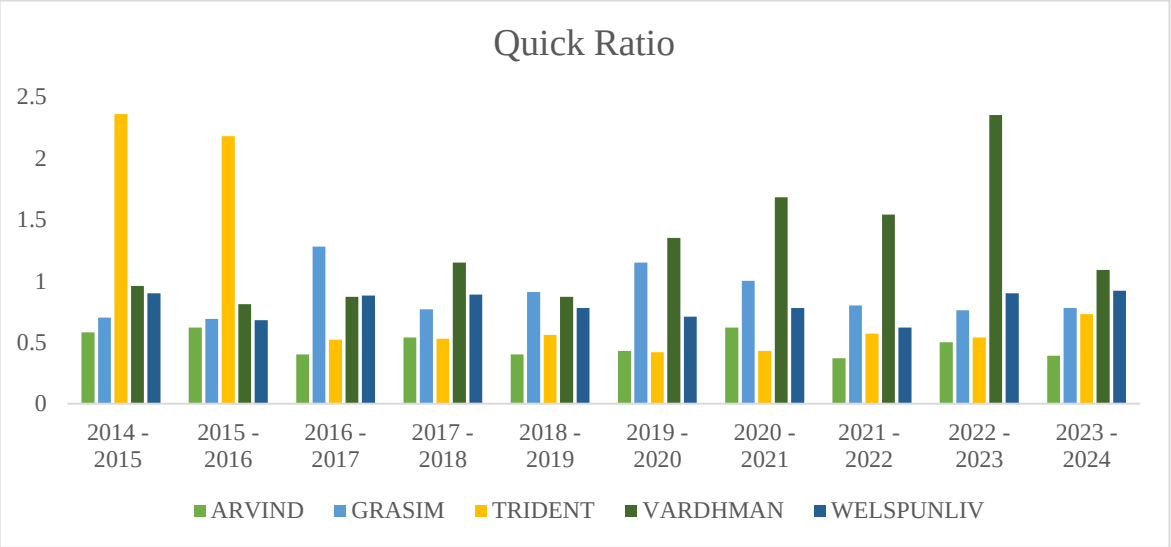
INTERPRETATION

The table shows the net profit margins of five Indian textile companies—Arvind, Grasim, Trident, Vardhman, and Welspun LIV—from 2014–2015 to 2023–2024. Welspun LIV had the highest margin in 2014–2015 at 10.57%, but its profit varied a lot, dropping to 2.54% in 2022–2023 and rising to 7.93% in 2023–2024. Vardhman had strong margins in 2016–2017 (14.39%) and 2021–2022 (15.85%), but its margins fell in later years. Grasim and Arvind had lower and more unstable margins, with Grasim's performance dropping after 2016–2017. Trident steadily improved and reached 12.67% in 2021–2022 but saw a decline after that. Overall, the data shows that the textile sector is competitive and unpredictable, with only a few companies keeping high profits over the years.

LIQUIDITY RATIOS

Quick Ratio					
Year	**ARVIND**	**GRASIM**	**TRIDENT**	**VARDHMAN**	**WELSPUNLIV**
2014 - 2015	0.58	0.7	2.36	0.96	0.90
2015 - 2016	0.62	0.69	2.18	0.81	0.68
2016 - 2017	0.40	1.28	0.52	0.87	0.88
2017 - 2018	0.54	0.77	0.53	1.15	0.89
2018 - 2019	0.4	0.91	0.56	0.87	0.78
2019 - 2020	0.43	1.15	0.42	1.35	0.71
2020 - 2021	0.62	1.00	0.43	1.68	0.78
2021 - 2022	0.37	0.80	0.57	1.54	0.62
2022 - 2023	0.5	0.76	0.54	2.35	0.9
2023 - 2024	0.39	0.78	0.73	1.09	0.92
SD	**0.10**	**0.20**	**0.74**	**0.48**	**0.11**
Mean	**0.49**	**0.88**	**0.88**	**1.27**	**0.81**

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188



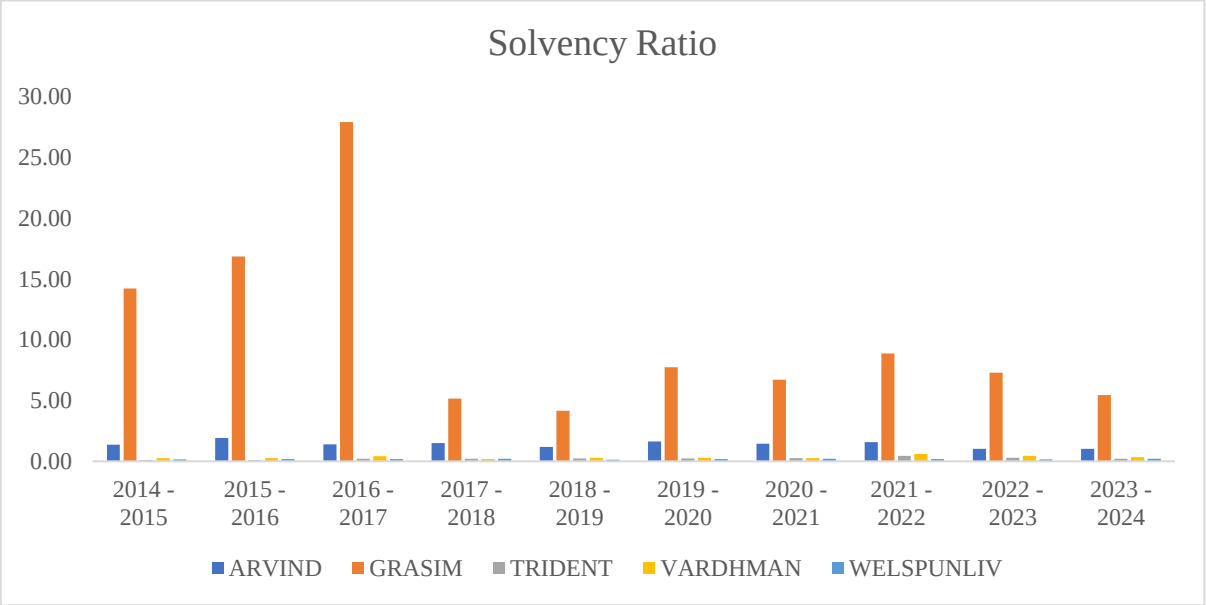
INTERPRETATION

The table shows the quick ratios of five Indian textile companies from 2014–2015 to 2023–2024, reflecting their ability to meet short-term debts. Trident started with a high quick ratio of 2.36 but dropped to 0.42 by 2019–2020, indicating liquidity issues. Vardhman improved steadily, peaking at 2.35 in 2022–2023. Arvind and Welspun LIV had lower quick ratios, staying below 1.0 for most years, suggesting limited liquidity. Grasim had moderate changes, reaching a peak of 1.28 in 2016–2017. Overall, the data shows varying liquidity management among these companies, with some facing short-term solvency concerns.

SOLVENCY RATIOS

SOLVENCY RATIOS					
Year	**ARVIND**	**GRASIM**	**TRIDENT**	**VARDHMAN**	**WELSPUNLIV**
2014 - 2015	1.38	14.23	0.10	0.26	0.15
2015 - 2016	1.93	16.86	0.10	0.27	0.17
2016 - 2017	1.39	27.93	0.22	0.43	0.18
2017 - 2018	1.51	5.16	0.20	0.17	0.20
2018 - 2019	1.19	4.15	0.23	0.30	0.14
2019 - 2020	1.62	7.74	0.24	0.29	0.19
2020 - 2021	1.45	6.72	0.26	0.26	0.20
2021 - 2022	1.59	8.87	0.44	0.61	0.19
2022 - 2023	1.03	7.30	0.29	0.45	0.15
2023 - 2024	1.03	5.46	0.22	0.34	0.22
SD	**0.28**	**7.36**	**0.10**	**0.13**	**0.03**
Mean	**1.41**	**10.44**	**0.23**	**0.34**	**0.18**

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188



INTERPRETATION

The table presents financial or performance ratios for five textile companies-ARVIND, GRASIM, TRIDENT, VARDHMAN, and WELSPUNLIV-across ten fiscal years from 2014-2015 to 2023-2024. GRASIM shows the most volatility, peaking sharply at 27.93 in 2016-2017 before declining and stabilizing in recent years. ARVIND maintains relatively stable figures, staying close to 1.0–2.0 throughout the period. TRIDENT, VARDHMAN, and WELSPUNLIV generally report much lower values, with VARDHMAN showing a notable rise to 0.61 in 2021-2022 before moderating. Overall, the data suggests that GRASIM experienced significant fluctuations, while the other companies demonstrated more consistent trends with moderate changes over the decade.

FINDINGS

1. Varadham earns the most from its assets (ROA of 7.64%), showing good use of its resources.
2. Trident and Welspun have steady and decent ROA with little change over time.
3. Varadham has the highest current ratio (3.36), which may mean it's keeping too much cash unused.
4. Grasim and ARVIND have low current ratios (1.07), which means they may struggle with short-term cash needs.
5. Welspun and Trident have stable and healthy current ratios (1.45 and 1.25), showing good short-term financial health.
6. Varadham has the best solvency ratio (0.39), meaning it has low long-term financial risk.

SUGGESTIONS

1. Varadham should use its assets wisely and try to keep its yearly performance more steadier.
2. The companies should check if they're using the right resources or if they can work more efficiently.
3. The companies should keep managing their assets the same way but also look for smart ways to grow their income.
4. Varadham should use extra short-term money for useful things or pay off some of its debts.
5. The companies should manage their daily cash better and make sure they have enough money for short-term needs.
6. They can spend to grow, but only if they're sure it will make more money than it costs.

CONCLUSION

During the ten -year period, a financial study of several selected Indian textile companies-Grasim, Trident, Varadham, Welspun and Arvind -show remarkable differences in terms of profitability, liquidity and solvency performance. Regarding the profitability of assets and long -term financial stability, Varadham routinely beats peers, albeit with some volatility. Trident financial measures are also solid and consistent, especially in terms of profitability and solvency. In all metrics, Welspun keeps a somewhat strong and balanced position. On the other hand, the use of assets, liquidity and solvency demonstrates a relatively worse performance for Grasim and Arvind, indicating the need for more efficient financial management and strategic reorganization. The performance of Arvind has recently improved, but Grasim's constantly low conditions point to the need for targeted intervention. The study has considered how the key good structure of capital, strong asset management and the ideal location of liquidity for financial sustainability. In the very competitive Indian textile industry, businesses that properly balance these factors are better managed by market obstacles and achieve long -term growth.

REFERENCE

1. *Ayyappan, S., Sultana, M. S., & Sakthivadivel, M. (2014). Financial performance analysis of selected textile industries in India. International Journal of Engineering and Management Research (IJEMR), 4(3), 314-318.*
2. *Marimuthu, K. N. (2012). Financial Performance of Textile Industry: A Study on Listed Companies of Tamil Nadu. International Journal of Research in Management, Economics and Commerce, 2(11), 365-377.*

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 5| May 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

3. *Chhibber, S. (2019). A Study On Financial Performance Evaluation Of Selected Textile Companies In India: An Emprical Analysis. International Journal on Economics, Finance and Sustainable Development, 2(3), 1-8.*
4. *Thabasvini, B. J., & Nandhini, M. (2023). A study on financial performance analysis of selected listed companies with reference to textile industries. In E3S Web of Conferences (Vol. 449, p. 05005). EDP Sciences.*
5. *Ayyappan, S., Sultana, M. S., & Sakthivadivel, M. (2014). Financial performance analysis of selected textile industries in India. International Journal of Engineering and Management Research (IJEMR), 4(3), 314-318.*