

# Impact OF COVID 19 ON SELECTED PUBLIC TEXTILE COMPANIES

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## ABSTRACT

The corona virus( covid 19) declared as a global pandemic by the world health organization, has globally infected more than a million people, taken several lives and loss of economy. All the sectors have been adversely affected as domestic demand. Textile which is India's second biggest sector also affected by covid 19 crisis. The spread of virus is having serious implications and companies have started feeling the impact on transportation, exports & orders. This research paper is based on secondary data of companies and shows loss of textile companies due to covid 19.

**KEYWORDS:-** COVID-19, INDIAN TEXTILE SECTOR, EXPORTS

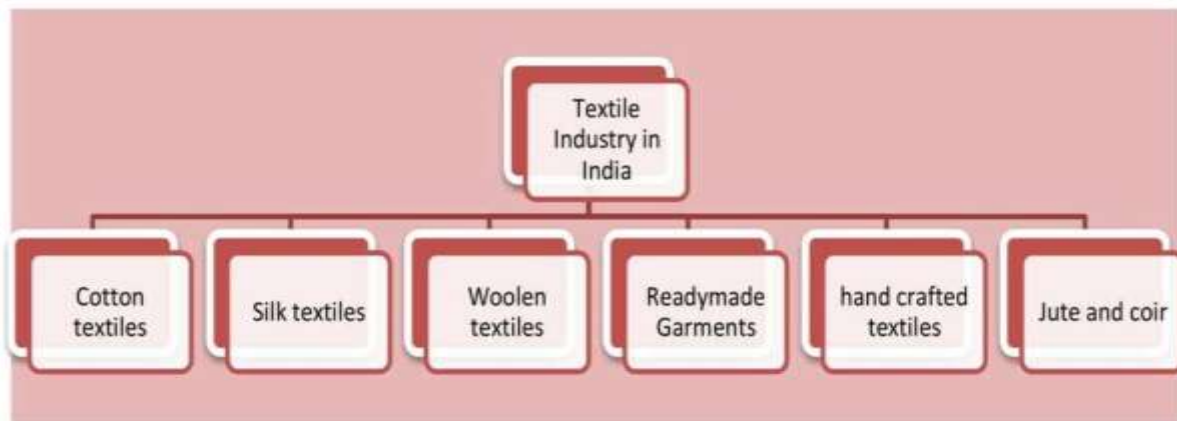
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## 1. INTRODUCTION

The COVID -19 pandemic which has disrupted the entire globe through social, political, administrative, religious and economic status. Major threat which is affected by this pandemic is lives of people. India is second largest populated country after china so there is much possibility of spreading COVID-19. This pandemic is inflicting high and rising human costs. To stop this virus in the lives of people Indian authorities enacted some measures like National wide lockdown which strongly affected Indian economy.

India is among the world's largest producers of textiles and apparel. The domestic apparel & textile industry in india contributes 2% to the country GDP, 7% OF industry output in value terms. India holds 4% share of the global trade in textiles and apparel .India is the 6<sup>th</sup> largest exporter of textiles and apparel in the world. The products of Indian textile industry with the traditional designs and textures popular all over the world. The textile industry serve as the platform offering a huge number of employment opportunities to eligible people in india.

There are different types of textile fibers are produced in india



**Textile Industry Segments**

The present research paper explore impact of corona virus on some selected textile companies due to national wide lockdown. These are the selected textile companies Raymond, Siyaram and Vardhman. The study also calculate financial loss faced by these companies during the period of covid-19.

## 2. REVIEW OF LITERATURE

**Donthu and Gustafsson (2020)** studied the impact of the COVID-19 pandemic on commerce and highlighted that retailers and brands faced many short-term challenges, such as those related to health and safety, the supply chain, the workforce, cash flow, consumer demand, sales and marketing.

**Naudé (2020)** studied the impact of COVID-19 on entrepreneurship, as reflected in the start-up of new firms and observed that the unintended damage to entrepreneurship, innovation and growth could be persistent in the longer term also.

**Maliszewska et al. (2020)** studied the potential impact of COVID-19 on gross domestic product and trade, using a standard global computable general equilibrium model. They estimated that the gross domestic product fell up to 2.5% for developing countries, and 1.8% for developed countries. They also estimated that there was underutilization of labour by 3% across all sectors in the global economy.

**Brodeur et al.(2020)** reviewed the literature on the socio economic consequences of covid-19 and government response, focusing on labour, health, gender, discrimination and environmental aspects.they also reviewed different studies related to effectiveness of social distancing in mitigating the spread of covid -19 and its compliance.

## 3. OBJECTIVE

- I. To estimate challenges which is faced by companies during pandemic period.
- II. To analysis finanacial performance of these companies during pandemic period.
- III. To use good marketing techniques to recover demand, position of companies in global and local market.

## 4. CHALLENGES DURING COVID-19 ON TEXTILE COMPANIES:-

The flu impacted all the factors like demand and supply of products.

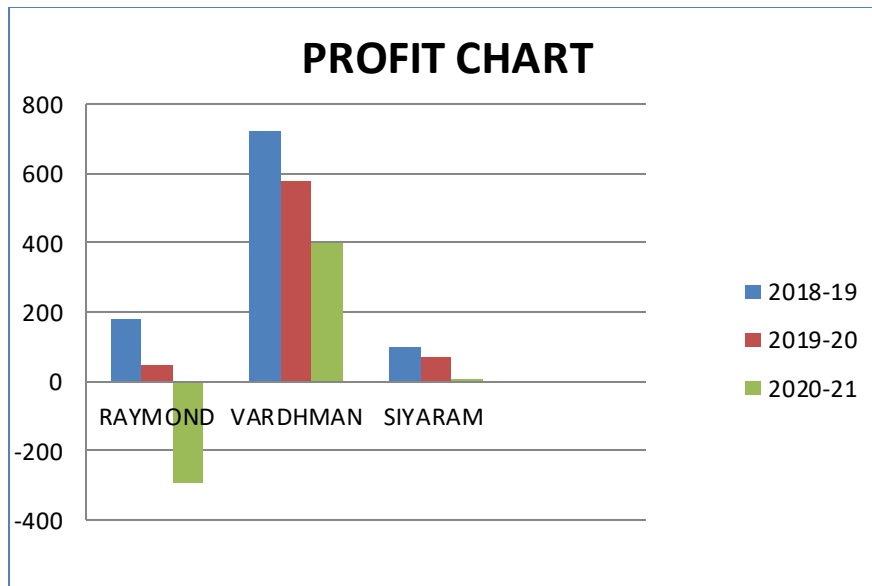
- I. Indian apparel manufactures faced a shortage in supply of synthetic fabric and accessories due to closure of manufacturing operations.
- II. Indian textile industry give huge number of employment to the country but because of pandemic there was national wide lockdown happen and textile is not a essential product for people which affected livelihood of employees by closing of industry.
- III. Major impact on domestic textile industry was reducing of export income because trade was low between the countries.
- IV. A general reduction in consumer demand due to social distancing, cutbacks in employment and wages and Government restrictions on non essential purchases.

#### 5. RESEARCH METHDOLOGY

- I. **Collection of data :** The present study is based on secondary data. Data is collected through websites, journals, reports, government official sites.
- II. **Period of data :-** in order to analyse the impact of covid 19 on companies data taken from 2019 to 2021 as pandemic period.
- III. **Sample collection:-** indian textile industry is classified into private and public sector. For the present study we cover public textile companies.
- IV. **Scope of the study:-**
  - This research paper covers public textile co. like Raymond textile, Ar siyaram textile & vardhman textile.
  - This study is limited to the net profit, sales & EPS.

#### V. DATA ANALYSIS OF COMPANIES DURING PANDEMIC:-

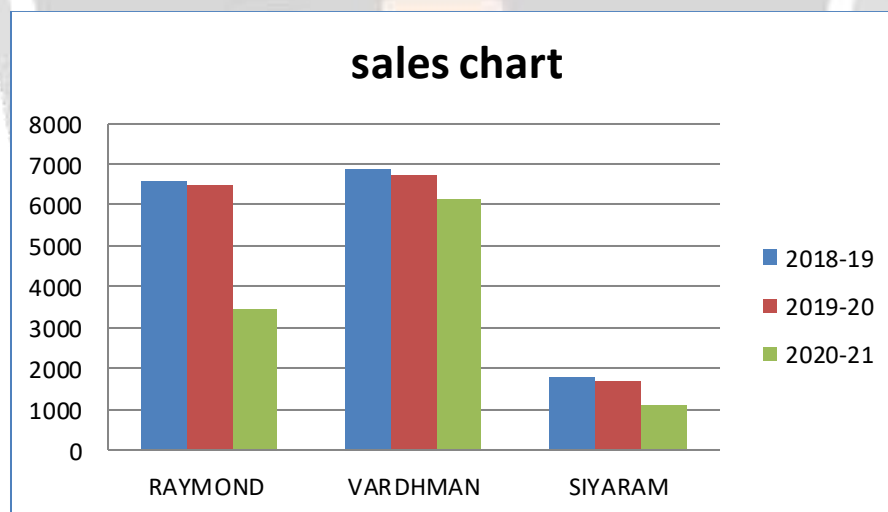
COMPANY / YEAR	PROFITS (in cr.)			SALES (in cr.)			EPS		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
<b>RAYMOND</b>	182	50	(294)	6582	6482	3446	27.37	31.44	-44.63
<b>VARDHMAN</b>	724	578	401	6877	6735	6139	129.45	102.22	72.52
<b>SIYARAM</b>	99	69	3	1816	1699	1089	21.14	14.17	0.76



(PROFITS IN CR.)

In above table we can analyze

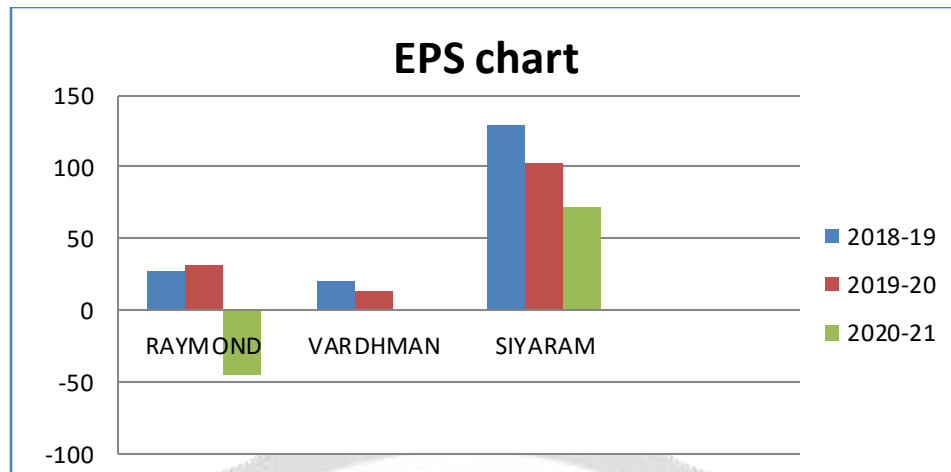
- Raymond textile co. having 182 cr. Profits in 2018-19 but because of covid profits decreased and they get loss upto 294 cr.
- Vardhman textile co. having 724 cr. Profits in 2018-19 but because of covid profits decreased upto 401 cr.
- Siyaram textile co. having 99 cr. Profits in 2018-19 but because of covid profits decreased upto 3 cr.



(SALES IN CR.)

We can study in above chart that because of covid -19

- Raymond company's sales fall down from 6582 cr. in 2018-19 to 3446 cr. In 2020-21.
- Vardhman company's sales fall down from 6877 cr. in 2018-19 to 6139 cr. In 2020-21.
- Siyaram company's sales fall down from 1816 cr. in 2018-19 to 1089 cr. In 2020-21.



We can study in above chart that EPS of textile companies in 2020-21 decreased due to covid-19.

- Earning per share of Raymond co. decreased from 27.37 to (-44.63.)
- Earning per share of Vardhman co. decreased from 21.14 to 0.76.
- Earning per share of Siyaram co. decreased from 129.45 to 72.52 .

6. **MARKETING TECHNIQUES FOR COMPANIES TO RECOVER FROM THIS PANDEMIC:-** in above charts we studied that how covid impacted on textile companies and still it have its impact on globally and domestically . so recover from this companies should use some marketing techniques like

- There should be discount policy for customers to increase demand.
- Companies can recover their supply by using promotional strategy like buy 1 get 1 free.
- E-commerce website also beneficial in the period of pandemic because physical appearance are restricted.
- Creative sales technique, free shipping strategies may also use for increasing sales.

7. **CONCLUSION**

It is well known that textile industry plays a vital role in Indian economy. It boost our economy by giving employment, production and export income. But covid 19 emerged as a disaster for indian textile industry. Covid not only affected health issues of entrepreneurs but also economic condition. To stop corona virus government imposed some restrictions in which major measure was National wide lockdown its affected all supply chain, transportation system of textile industry. This research paper shows how covid-19 affected textile companies and the profits were decreased. Government should give some grants to companies to deal this problem so these companies can stand again in market. And manufactures should learn how to deal these types of problems in future so there will less impact on textile companies.

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