A Research Paper On Size And Growth Opportunity As Determinants Of Leverage: Evidence From Indian Textile Industry

Prachi Pargaonkar*
Dr. P. D. Nare**

Key Words:

1.WTO
2.Leverage
3. Asset Growth
4.Size

Abstract
The Indian Textile Industry is coming of ages since 2005. Be it proactive Government policies, or global free trade, there is tremendous set of opportunities for the Indian Textile Industry to mark its presence at a global level. Free trade on one hand has opened up opportunities to participate in world trade while on other hand has thrown open the textile companies to challenges of maintaining good quality at a competitive price thereby squeezing the profit margins. It has thus become imperative that, these companies invest in modern technology. In the given scenario, authors thought it pertinent to find out to whether growth rate of investment in modern technology and size are determinants of leverage. Using t test, authors concluded that both size and growth is not a significant factor in determining the level of leverage for Indian Textile Industry. Further analysis also showed that, companies, when classified on the basis of their ownership and size also does not significantly affect the level of leverage.

INTRODUCTION

Capital structure plays an important role in long term survival of the firm. Firm can either rely on ownership capital or on a mix of borrowed and ownership funds to finance its investments both long term as well as short term. Complex business environment surrounding the company plays a major role in deciding the capital structure. Growth opportunities, size, cost, tax shield, liquidity play a decisive role in deciding the proper mix of capital structure.

The choice between borrowed funds and ownership funds plays a significant role as it entailscost. More the proportion of debt signifies high risk but also high return. Using fixed cost attached to debt to the advantage of the shareholders is known as financial leverage. It refers to use of fixed financial cost so as to maximize returns to the shareholders. This is done by raising funds through various interest bearing long term securities. Very high leverage indicates higher financial risk which may lead to bankruptcy. This happens because borrowed funds have fixed repayment in form of interest and principal. If the firm does not earn enough profits through its operations, it may lead to non-payment of both the fixed liabilities. Low leverage on other hand indicates that management is forgoing the benefits of borrowing and hence is not maximizing the wealth of the

*Research Scholar, Sinhgad Institute of Management and can be reached at prachip243@gmail.com
**Research guide, Sinhgad Institute of Management and can be reached at pdnare@rediffmail.com

shareholders. It is so because the cost involved in debt in form of interest is tax deductible and hence this source is considered to cheapest source of external finance.This implies that there is a relationship between capital structure and firm value.In such a scenario, what should be the borrowed funds for a company?

The answer lies beyond mere financial considerations. V.A. Aivazian et al.(2005), state that agency problems arising from interactions between shareholders, debt holders, and management give rise to underinvestment or overinvestment incentives; these agency problems introduce a range in which investment may not be fully responsive, or may be over-responsive, to changes in economic fundamentals. Moreover, the pecking order theory also suggests that managers do not seek to maintain a specific capital structure. Firms prefer internally generated cash flows (retained earnings) over other sources. It is due to low risk and cost involved in using internally generated funds. This theory outlines that, due to adverse selection (i.e. hidden knowledge), firms prefer internal to external finance (Myers & Majluf, 1984). Further, Myers(1984) stated that if it needs any finance from outside, it will prefer use of debt before equity, because there is lower information costs associated with debt.

Apart from various factors that determine capital structure viz; Firm size, Asset tangibility, Business Risk, Non-debt tax shield, Liquidity, Profitability and some macroeconomic factors, growth in the perspective of free trade may prove

to be a significant contributory in deciding the capital structure of the firm. Awan, Bhattiet.al.(2010), found use more of borrowed capital in low to medium growth firms as they possibly think the opportunities as unsustainable and risky and intend to pass on that higher risk to the creditors. They took market value of assets to book value of assets as the measure of growth while took Capital ratio as a measure of leverage.Significant association between equity ownership and leverage for low-growth firms, but not for high-growth firms was found by Azhagaiah, Sathia (2012). It further depends on the management leadership and maturity of banking sector. As, Faccio (2004)provided empirical evidence that in Europe, where the monitoring role of debt is effective due to the established and enforced capital market institutions, entrenched managers decrease leverage; in contrast, in Asia, where the monitoring role of debt is less effective than in Europe, entrenched managers abuse debt. Also, having good assets base in its balance sheet will help the company to borrow more as it shows future opportunities. Thornhillet. al. (2004) argued that firms with high collateral assets should have greater access to bank funding compared to those with more ephemeral intellectual assets. This follows from the reduced riskiness of investment and transactions involving assets that have low specificity and well developed factor market. This follows from the reduced riskiness of investment and transactions involving assets that have low specificity and well developed factor market. Consequently, they proposed that firms in goods producing industries will have a higher debt to equity mix than will firms in service industries. Dadashi et al. (2013) found negative and significant relationships between assets growth and some indexes of financial leverage. He defined assets growth as total assets of last year - total assets of current year / total assets of last year while financial leverage was defined as long-term debt to total assets ratio (LD/TA), Long-term debt to fixed assets ratio (LD/FA), total long-term debt and short-term receivable facilities to equity capital ratio (TD/EC) and total long-term debt and short-term receivable facilities to total assets ratio (TD/TA). Also as the quality of asset base increases, the ability of the firms to give collateral also increases which may result in more borrowings. Considering growth prospect of the company as one of the important factors affecting financing decisions, the researchers want to study their relationship for Indian Textile Industry post 2005.

The opportunities lying before Indian Textile Industry entail high investments in terms of modern technology, increase in sales, exports in particular and increase in profits. Increase in profits in turn would give the firms an option to finance their investments through retained earnings rather than using borrowed funds. Thus profit growth impacts funding decisions of the firm. Moreover, when the firm is growing, poor management, inadequate capital structure, choice of improper accounting practices; poor liquidity conditions are factors, which are largely effective in the outbreak of financial crisis of firms (Dadashia et al. 2013). It is therefore necessary to study relation of growth opportunity with leverage for Indian Textile Industry.

Indian Textile Industry And Scenario After 2005

Indian textile industry has unique characteristics with modern, sophisticated and highly mechanized mill sector on one hand and hand spinning and hand weaving on the other. It comprises of both large companies from an organized sector as well as small scale and cottage industries belonging to unorganized sector. Due to inconsistent Government policies, this industry has received a setback. In order to ensure adequate availability of yarn to the decentralized sector, government imposed quantity restrictions on the export of cotton yarn (Chaudhari, 1994, Tiwari, 2005). Coupled with this, the stringent labour law added to the structural flaw of this industry. However, now this industry is being looked up to as one of the largest export contributing sectors worldwide.

January 2005 has great significance in the business history as quota system which was then prevalent got abolished and free trade came into existence. Along with this (Tiwari, 2005) came competition with the businesses world over and amongst low cost textile manufacturing countries like China, Pakistan and Bangladesh in particular. Under GATT principles, buyers are free to source textile and apparel in any amount from any country; suppliers are similarly free to export as much product as they are able, subject only to a system of national tariffs (Tiwari, 2005). The developing economies that could make available good quality effectively priced goods would prove to be successful. It has been observed by Santos-Paulino (2002), that the main benefits of higher export growth are the positive externalities which result from greater competition in the world markets, greater efficiency in resource allocation, economies of scale and technological spillovers. To make its presence felt in the global market, the firms' need two things one, good quality and two, effective pricing of its products.

Things have changed with the implementation of WTO. Fierce competition at an international level, have forced the companies to change their policies of sourcing (Tiwari, 2005), be cost competitive with good quality (Tiwari, 2005, Verma, 2001). The size of the company will help the company achieve cost competitiveness and invest in good technology. (Karmarkar 2007, Tiwari 2005, Sun & Tian

2009). The Government on other hand has to lend its support to enable the Textile industry to face stiff competition. (Bedi2009, Karmarkar 2007). Indian Government, with its measures in form of TUFS, SITPs and some export promotion measures, has tried to gear up Indian Textile industry. Still a lot is to be achieved by the industry if they wish to survive the international competition. Countries like China have given a major boost to their textile industry in nature of fiscal policy measures, cheap finance, and good infrastructure. Indian textile is still in want of good infrastructure to reduce their transaction cost, though labour in Indian is cheaper than China; the productivity of China is 50% higher than India which the second case where India loses out. However, Indian Textile Industry is coming of ages and trying to face the international competition by exercising various measures to achieve the economies of scale. Indian textile firms are increasingly going in for vertical integration across the entire value chain, mainly to tackle the post-quota abolition induced squeeze on margins. This has led to large investment in plant and machinery and other intangible assets. As the margins on exports in the post quota regime have squeezed, the companies started consolidating their position by expanding their presence from fibre to garments thereby trying to get the economies of scale.

Thus, with the advent of WTO and especially since 2005 that ensure removal of quota system from the global trade, the developing countries have a fair chance of participating in world trade. With cost advantage on their side, companies of these countries face stiff competition amongst each other to get a fair share in the global trade they have to have a strong hold on two things one maintaining quality and other price competitiveness.

Given the backdrop of post quota regime, two elements have become crucial for the survival of Indian textile companies in the global market viz; good quality and price competitiveness. In order to have both of these, it has become imperative that textile companies invest in modern technology. This will help the company to achieve both quality and cost effectiveness. The nature of sourcing the investment becomes of great importance as they incur cost which may prove decisive in price determination. Also, the growth opportunities for Indian textile industry have increased exponentially. It would thus be interesting to know that the Indian textile industry has become more leveraged in post quota period.

The researchers would like to study whether growth opportunities have actually affected the way firms are financing their long term investments. Further, it would also be interesting to know if size of the firm is playing a crucial role in deciding the leverage of the company. For the said purpose, researchers have focused on long term investments because in post quota period firms investing in modern technology will be able to get the benefit of available growth opportunities and in long term borrowed funds.

LITERATURE REVIEW

Literature review has been carried out with respect to establishing relationship between capital structure and growth opportunities, size of the firm.

Prior empirical research on relationship between leverage and growth shows that it is positively related especially in case of low growth (Awan, Bhatti et.al.2010, Azhagaiah &Sathia 2012)and immature financial markets (Faccio 2004). Normally firms tend to invest retained earnings so as not to lose control and also as not to incur high cost.

Negative relation between leverage and growth holds strongly only for firms with low Tobin's q ratios, or firms that do trot have valuable investment opportunities known to other investors. (Lang,et.al. 1996; Denis& Denis 1993). Tobin's q ratio is an indicator that shows the value of firms' assets in relation of its market value. It shows whether the firm is overvalued or not. If it is more than one it means that firm's worth is more than cost of its assets. Its premise is that firm should worth what its assets are worth. It is thus shown that undervalued firms have a negative relationship. It means low growth firms do not tend to invest by borrowing.The fact that leverage lowers the growth of such firms is consistent with the agency costs of managerial discretion view that debt has a disciplinary role (Lang, et.al. 1996; Denis &Denis 1993). Kim, Mauer & Sherman (2005) found that the funds allocations in the firms, where controlling shareholders have high cash flow rights are better aligned with the investment opportunities and, therefore, more efficient than in the firms where they have low cash flow rights.Leverage can constrain investment (Lang, et.al. 1996; Denis and Denis 1993). Opler & Titman (1994) have shown that sales growth is lower for firms in the three highest deciles of leverage, but especially so within distressed industries (Parrino & Weisbach, 1999). When they split their sample by size, they find that leverage has a positive effect on sales growth for large, highly levered firms that are not in distressed industries. Firms with higher investment in intangible assets tend to use less debt in their capital structure to reduce the agency costs associated with risky debt (Myers, 1977.) Parrino & Weisbach (1999) found that the agency costs of debt canbe so high that firms cannot raise funds and therefore forego

profitable investment projects. Saibal (2005) suggested that the leverage ratio can serve as a useful signpost of asset quality and second, the analysis points to the need to improve the collection of data from the corporate sector.Moreover, as more competition results in price war, unlevered firms will be more advantageously situated than levered firms (Lee2011). This is because levered firms will have a fixed cash outflow towards debt payment.

The relationship between size and leverage is rather complex, and enough reasons can be found to justify both lower and higher leverage in (privately held) small firms when compared with larger firms (Ang, 1992.) It was found that firms with high leverage display a higher sensitivity of investment to cash flow (Whited, 1992). There is significant relationship between firms' leverage and firms' sizeamongst others and that their relationships to leverage are broadly similar in each of the seven countries despite theirinstitutional differences. The reason for positive relationship between size and leverage given is larger firms tend to be more diversified and hence may have an inverse proxy to the probability of bankruptcy (Rajan, 1995). They defined leverage as total debt to net assets, wherein net assets were calculated as total assets less the accounts payableand other liabilities, while size was defined as log of net sales.Firm size has also been seen as positively related to leverage (Bas, et.al, 2009). They took total liabilities to total assets as leverage while number of employee base was taken as a measure for calculating size. They also argued that as large and listed firms have easy access to finance in developing countries, they have higher leverage and higher maturities. However (Song 2005) found negatively relation of size with long term capital structure.

In countries like India, all the aforesaid determinants have been empirically tested and have shown similar results as in other countries. Firm size as a natural log of total assets (Ali, 2011) found a positive relationship while (N. Suresh & Chalam, 2014)found negative relationship with capital structure. Pahuja & Sahi (2012) taking natural logarithm of sales for calculating size found negative relationship with capital structure.It is empirically proved that Indian companies in general (Pahuja & Sahi, 2012, Naha& Roy, 2011) and textile industries in particular (N. Suresh & Chalam, 2014, Ali, 2011) have been following pecking order theory. Thus, they rely more on retained earnings and less on borrowed capital.

RESEARCHMETHODOLOGY

Sources

The present study is historical in nature. It is a descriptive and analytical financial research; the Researchers have depended on Secondary Data. The quantitative data used in analysis has been obtained from CMIE Prowess database.

Period

The period selected for the study is 2005-2011. The reason for considering this period is quota sanctions got lifted from 2005 for all member nations of WTO and the concept of free trade was initialized. The developing country therefore got a chance to increase their share in the world trade and its firms got a chance to grow exponentially.

Sample Size

Sampling is that part of statistical practice which is concerned with the selection of individual observations intended to yield some knowledge of a Population of concern, especially for statistical inference. This paper will deal with private and public limited companies available on CMIE Prowess database. There were in all 1348 private and public limited companies. The data comprised of intermittent data, data of merged companies. The researchers sorted the data based on total net sales and investment in plant and machinery for all years as it signified the existence of the companies and data for the entire period was available. Hence data of merged companies and companies with intermittent data were not considered. This sorting reduced the number of companies to 331. For the current paper, therefore, a sample of 331companies has been considered.

VARIABLES DEFINED

Asset Growth is defined based on average increase in net fixed assets (plant and machinery, computer software, intangible assets over its previous period. Average Asset Growth (AG) for the entire period is considered. The reason for taking these three as part of asset growth is that they indicate modernization. Sophisticated technology used will help the companies to achieve economies of scale and thereby survive the competition. Growth rate in these category of assets, if is greater than 1, is considered as GROWING company otherwise NOTGROWING company. Any positive change will suggest growth and vice versa. Leverage is defined as average ratio of Debt/equity across the sample for the entire period. However, wherever the equity base is totally eroded, absolute debt is considered. This has happened mainly is very high debt companies. Debt includes, long term debt both secured and unsecured as well as preference share capital. The reason for taking

preference share capital as part of debt is it is fixed cost bearing source with fixed repayment schedule. Equity on other hand comprises of equity (both Indian and Foreign), reserves (available for raising funds like security premium, general reserve and Profit and loss account) and accumulated losses. Size of the firm is considered using average sales of all the companies throughout the period as the base. If, average net sales of the company is greater or equal to the average sales then it is considered as "BIG" company, otherwise a "SMALL" company.

Hypothesis – 1.

H0 = There is no significant difference between the leverages of big and small firms.
H1 = Big firms are highly leveraged than small firms.

t-Test: Two-Sample Assuming Equal Variances

Table 1 :

	BIG	SMALL
Mean	1.801988	3.710083
Variance	39.0536	256.6201
Observations	79	252
Pooled Variance	205.039	
Hypothesized Mean Difference	0	
Df	329	
t Stat	-1.03343	
P(T<=t) one-tail	0.151081	
t Critical one -tail	1.649498	
P(T<=t) two-tail	0.302161	
t Critical two-tail	1.967201	

As the value of t stat > value of t critical (-1.03<1.64), null hypothesis is accepted. We accept that level of leverage does not depend on size.
Further analysis shows that-
Out of total 331 companies, based on average sales, 79 are big companies and 252 are small companies. Average debt of big companies is Rs.212.30 crores as against that

average debt of small companies is Rs 62.12 crores. The average leverage of big companies is 1.81 as against 3.71 of small companies. The researchers further divided big and small companies based on ownership. Following were the results as per above table no.1.

Thus, when companies were divided based on both size and ownership, level of leverage was not significantly different. For more in-depth analysis, the researchers divided the level of debt into high and low based on average debt of all companies over the period. Based on this analysis, it was found that the average leverage of high debt small companies was 17.71 as against 1.15 of low debt small companies. As against this, average leverage of high debt big companies was just 3.90 and that of low debt big companies was 0.37 only. Though average leverage of high debt small companies is high it is not statistically significant.

Hypothesis - 2

H0 = There is no significant difference between the leverages of AG and Non AG firms.
H1 = AG firms are more leveraged than non AG firms.
By applying t test of equal variance on the above hypothesis it was observed that all the three type of growth firms have not shown any significant difference in use of borrowed funds. The t test results are given below
t-Test: Two-Sample Assuming Equal Variances

As the value of t stat < t critical one tailed value (1.34<1.64), null hypothesis is accepted. It is thus concluded that growth rate of investment in modern technology is not a determinant factor in deciding the level of leverage. Whether AG firms or non-AG firms, their leverage does not differ significantly.

Further analysis show that, the average investment in modern technology of AG firms is Rs. 125.36 crores which is 30.63% of average investment in total assets. As against this, non AG firms have on an average investment of Rs.39.73 crores in modern technology which is 27.28% of total assets. This again proves that AG is not a significant factor for Indian Textile Industry to decide the level of leverage.

Analysis of AG and Non AGfirms with respect to ownership shows the facts per table.

From the above table no.4, it can be further seen that, there is no significant difference AG and Non-AG firms with respect to ownership class. Further when debt is classified into high and low based on overall average debt of the industry, it is seen that out of total 230 growing companies, 46 companies have a very high debt with average leverage of 20.72 and 184 have low debt with average leverage of 1.82.

Table no.2

Companies	Big			Small		
	Private (Indian)	Private Foreign	Group	Private (Indian)	Private Foreign	Group
Number	25	0	54	180	03	69
Average debt (Rs.in crores)	142.04	0	244.83	44.53	110.19	105.93
Average leverage	2.75	0	1.36	4.36	1.02	2.13
%age of Investment in modern technology to total assets	30.34	0	30.18	29.67	14.33	30.86

Table no.3

	Growing	Not growing
Mean	3.942007	1.620514
Variance	283.5572	15.66759
Observations	233	98
Pooled Variance	204.5746	
HypothesizedMean Difference	0	
df	329	
t Stat	1.348089	
P(T<=t) one -tail	0.089279	
t Critical one -tail	1.649498	
P(T<=t) two -tail	0.178557	
t Critical two -tail	1.967201	

trade and strong domestic demand. It was concluded that there does not exist any significant relationship of those two factors with levels of leverage. These findings are consistent with the findings of Song (2005), N.Suresh&Chalam(2014) Pahuja, & Sahi, (2012) and (Dadashia et al. 2013). This implies that even smaller companies have geared up to seize the opportunities. This is coupled with favorable Government policies like TUFS, export incentives on one hand and strong domestic demand on the other. However, if these companies do not utilize their funds optimally, then it will be very difficult for them to survive. Also, for the AG companies, utilizing their modern technology optimally will be a key and decisive factor for their survival. Comparing operational efficiency in terms of profitability, working capital efficiency and utilization of fixed assets will throw more light on the position of small versus big companies as well as AG and non AG companies. This comparison can also be done by classifying companies based on ownership.As a part of further research, a study can be carried out on whether Indian Textile Industry is following the pecking order theory or not by testing other factors affecting leverages viz; tangibility, liquidity, non-debt tax shield and business risk.

CONCLUSION

The paper tried to establish relationship between size and growth factor with levels of leverage for Indian Textile Industry post 2005. This was done as the opportunities for textile industry have increase exponentially because of free

Table no.4

Ownership and Growth factor	Number	Average Investment in modern technology (Rs.in Crores)	% age of Investment in modern technology to Total Assets	Average Debt/Capital	Investment in modern technology to Net sales (%)
Business Group					
AG	87	246.02	30.84	2.29	40.62
Non -AG	36	86.96	26.91	1.06	52.71
Private (Indian)					
AG	141	52.5 4	30.17	7.71	35.96
Non -AG	64	13.51	28.71	3.26	50.42
Private (Foreign)					
AG	02	9.70	10.06	0.21	20.63
Non -AG	01	17.25	27.36	6.41	98.99

REFERENCES

Ali Liaqat, (2011), "The Determinants of Leverage of the listed Textile Companies in India," European Journal of Business and management, ISSN 2222-1905 ([paper) ISSN 2222-2839 (online), Vol.3 (12). pp.54-59. Available online at www.iiste.org.

Ang, J. S. (1992.). 'On the Theory of Finance for Privately Held Firms.' . The Journal of Small Business Finance 1 (3):, 185–203.

Babu Suresh N., Prof. G.V. Chalam (February 2014), "Determinants of capital structure of Indian Textile Industry – An Empirical Analysis.", International Journal of Advance Research, IJOAR.org., Vol. 2, Issue-2.

Bas Tugba, Gulnur Muradoglu and Kate Phylaktis (2009), "Determinants of Capital Structure in developing countries." Cass Business School, London, ECIY8TZ, UK .

DadashiIman, Mansourinia Elham, Emamgholipour Milad, Seyedeh Maryam Babanejad Bagheri and Ali Mohammadpour Arabi (2013), "Management Science Letters 3, 1125–1132.

Denis, D. J., and D. K. Denis (1993.). 'Managerial Discretion, Organizational Structure and Corporate Performance: A Study of Leveraged Recapitalizations.'. Journal of Accounting and Economics 16 (1–3): , 209–36.

Dr., Bedi Jatinder, (July 2009.), " Assessing the prospects for India's Textile & Clothing sector.", National council of Applied Economic Research.

Faccio, M. H.P.L. Lang and L. Young (2004.). 'Debt and Expropriation.'Working paper, . Vanderbilt University. Nashville, TN.: Vanderbilt University.

Hayat M. Awan, M. IshaqBhatti, Raza Ali, Azeem Qureshi (2010),"

How growth opportunities are related to corporate leveragedecisions?" Investment Management and Financial Innovations, Volume 7, Issue 1.

Karmarkar Anupam. (August, 2007). "Overview of Indian Textile Industry with respect to dismantling of Multi Fiber Agreement and Arrangement on Textile & Clothing.",. The Management Accountant, Vol. 42, No.8.

Kim, C.,D.C. Mauer and A.E. Sherman (1998), 'The Determinants of Corporate Liquidity: Theory and Evidence.'. Journal of Financial and Quantitative Analysis 33 (3): , 335–58.

Lang, L.E., Ofek, E., Stulz, R. (1996). Leverage, investment and firm growth. Journal of Financial Economics 40, 3 –29.

Lee Cheulho (2011), "Firms' Capital Structure decisions and product market competition a theoretical approach.", Research in Business & Economics Journal, Vol.3, pp. 1-15.

Myers SC, Majluf NS, (1984), "Corporate Financing and Investing Decisions When Firms have Information that Investors do not have," Journal of Financial Economics, Vol.13, pp.187-221.

Myers, Stewart. (1977), "Determinants of corporate borrowing." Journal of Financial Economics 5.147-175.

Naha Sumitra, Roy Malabika (July 2011), "Product Market Competition & Capital Structure of firms: The Indian Evidence.", Journal of Quantitiative Economics, Vol. 9, No.3.

OplerTim.C. & Sheridan Titman, (1994), "Financial distress and Corporate Performance, Journal of Finance, 49, 1015-1040.

PahujaAnurag Dr., SahiAnu Ms. (March 2012), "Factors affecting capital structure decisions: Empirical Evidence from selected Indian Firms.", International Journal of Marketing Financial Services and Management Research, Vol. 1 No. 3.

Parrino, R., andM. S.Weisbach. (1999). 'Measuring Investment Distortions Arising from Stockholder-Bondholder Conflicts.' Journal of Financial Economics 53 (1): 3–42.

Rajan G.R and Zingales L, (1995) "What Do We Know About Capital Structure? Some Evidence from International data," Journal Finance, Vol.50, pp.1421-1460.

RamachandranAzhagaiah, SelvarajSathia (Spring 2012), "Corporate Leverage & Financial Decision in Indian Textile Industry."Managing Global Transitions, Vol.10. No. 1.

Saibal, G. (2005). 'Does Leverage Influence Banks' Non-Performing Loans? Evidence from India.' . Applied Economics Letters 12 (1): , 913–8.

Santos-Paulino, Amelia U.,(Oct 2002), "Trade liberalisation and export performance.", The Journal of Development Studies,vol. 39,no. 1, 140-16.

Saumitra, C. (1994). Cotton Yarn spinning in India - The competitive advantages & prospects. ICRA sector focus series.
Song Han-Suck (2005), "Capital Structure determinants: An Empirical Study of Swedish Companies." International PhD Workshop, The Royal Institute of Technology Centre of Excellence for Science and Innovation Studies, Stockholm.

Tiwari Meenu. (July, 2005). " MFA Adjustments in India's Textile and Apparel Industry : Emerging issues and trends." ICRIER, working paper – 167.

Thornhill Stewart, Guy Gellatly, and Allan Riding (2004), "Growth history, knowledge intensity and capital structure in small firms", Venture Capital, Vol. 6, No. 1, pp. 73 – 89

Varouj A. Aivazian, Ying G, Jiaping Qiu, (2005), "The impact of leverage on firm investment: Canadian evidence" Journal of Corporate Finance, 11 277– 29.

Verma Sameer. (2001). WTO Agreement on Textiles And Clothing – Impact on Indian Textile and Clothing Industry",. WTO & the Indian Economy.
Wenzhuan Sun & Junying Tian. (April, 2009.). "Under the new situation of the Textile Economy." International Business Research, Vol. 2, No.2.
Whited Tony, (1992), "Debt, Liquidity Constraints and Corporate Investment : Evidence from panel data.", Journal of Finance, 47,1425-1461.