

# **A STUDY ON FINANCIAL DISTRESS AND FIRM'S PERFORMANCE WITH REFERENCE TO TEXTILE INDUSTRIES IN TIRUPUR DIST**

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## **ABSTRACT**

This study is about “financial distress and firm performance” finance is the soul of whole organizations Financial distress is a loose term referring to various adverse situations a business or person faces. In the corporate setting, financial distress invariably translates into near-insolvency, bankruptcy, emergency-scenario borrowings and turnaround work. Simply put, a business facing financial distress generally faces a cash crunch, cannot repay -- or is having a hard time repaying -- its debts. A situation where a firm's operating cash flows are not sufficient to satisfy current obligations and the firm is forced to take corrective action. Financial distress may lead a firm to default on a contract, and it may involve financial restructuring between the firm, its creditors, and its equity investors.

**KEYWORDS:** Financial Distress, Financial Performance, Bankruptcy, Debtor Creditor Relation