

**S.S.m.27. KEVIN, S.—A Study of the Textile Industry in Kerala with comparative reference to Tamil Nadu—1989—
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The first chapter is the introductory chapter presenting the problem, the objective and the methodology of the study.

The cotton textile industry consists of three distinct sectors, namely, mills, powerlooms and handlooms. This study is confined to the mill sector of the cotton textile industry. The cotton mill industry is one of the important medium and large-scale industries in the State of Kerala. Due to the widespread

development of the handloom industry in the State, there is an environment conducive to the growth of cotton spinning mills which produce yarn, the raw material required by the handloom industry. New spinning mills are being commissioned. But the performance of the existing cotton spinning and weaving mills in the State is not quite satisfactory. Hence, an analysis has been carried out into the profitability and financial position of the cotton mill industry in Kerala. The objective of the study is to make a financial analysis of the industry covering various aspects such as cost structure, productivity, asset structure, financial structure and working capital management.

The study extends over a period of five years from 1980-81 to 1984-85 and covers all the textile mills in the State. The relevant data have been collected directly from the mills through a questionnaire and also from their Annual Reports. These have been analysed by using various techniques such as Ratio analysis, Common-size method of analysis, Correlation analysis, Inter-firm comparison, Index numbers and Funds flow analysis. The results have been compared, wherever possible, with the figures for the cotton mill industry in Tamil Nadu available in the studies conducted by SITRA (the South India Textile Research Association).