CHAPTER -I

IDENTIFICATION OF THE PROBLEM

Normal Business Objective

The very essence of business is the expectation of a profit. The business can be conducted either in private sector or public sector. When business is conducted in the private section, it is expected to run for the benefit of shareholders/owners. Then the maximisation of shareholder's wealth remains a more desired objective, without ignoring the social responsibilities, which are must under the laws of the land. On the other side, when the business is conducted by the government, then the maximisation of profits is not the sole criteria. The purpose is to serve the community. However, it does not mean that the application of commercial consideration are altogether ruled out. It is the duty of all the undertakings whether it belongs to public sector or private sector to perform its activities economically to preserve and increase the value of economic resources entrusted to it. To achieve this objective, the firm must earn profits at a certain minimum rate. If profits could not be earned within a specific stipulated period of time then to minimise losses is the primary objective of a firm. Because the rate of profit is one of most acceptable indicator of the progress of the firm and of the direction in which the firm resources are being utilised.

Business Failure

The failure of a firm to earn profits is an unhealthy sign. Moreover the closure of a firm due to regular losses is the worst event because it can produce substantial losses and unfavourable effects on general public, shareholders, creditors and financers. General public is a loser because it is deprived of the goods and services produced by the firms and also on account of unemployment caused by their closure. Shareholders' earnings go down, creditors lose their money and financial institutions suffers on account of bad debts and loss of interest on loans.

While commenting on the effects of business failure, John Argenti writes: "Corporate collapse had always brought fearful mental pain to proprietors and enterpreneurs and managers and to their families. It has always meant that employees lose their jobs, shareholders lose their savings, creditors lose cash and future business. The customers are deprived of product. The local community may be plunged into despair. Failure has always brought years or decades of legal wrangling in its wake. It ruins lives, destroys the health of its victims, it pushes them to the edge of suicide and beyond. It has always been so but each individual in our modern society is becoming so much more dependent upon companies and other organisations that the misery of failure is now spread far and wide".

Financial Viability

The failure of the firm to earn profits on regular and continuous basis is known as a state of corporate sickness. As rate of profit is considered, the most acceptable indicator of the progress of the firm, in the same way, financial viability is the only known indicator of the health of a firm. Financial viability consists of three inter dependent elements, of equal emphasis and weight, viz., profitability, liquidity and solvency which are represented by cash profit or losses, net working capital and net worth, respectively. The status of financial viability, at a point of time, is a result of status of these elements. Therefore any firm, who will have cash losses, net working capital in deficits and negative net worth is considered as a financial non-viable firm or sick unit.

The financial viability is a direct function of the performance of the four functional areas of the firm namely production, marketing, personnel and finance. Of all these four areas, the issue relating to finance function requires deep study and consideration because the entire structure of a unit rests on its financial base. The profitability and growth of a business unit depends largely on the efficient handling of its finance function. So it is necessary to organise the finance function in such a way that it should help the business unit in achieving its objective with minimum costs.


It is to be noted here that in case of Commissioner of Income tax, Bombay v. Mahindra and Mahindra Ltd. (1983), 144 I.T.R.225, the Supreme Court has accepted the criteria given by NCEAR in its study, to decide the financial viability of a sick unit.
Financial Performance

The poor financial performance of a business unit is apparent by any standard but generally it tends to attribute the malady to any one or more of these factors: Imbalance financial planning in capital structure resulting in heavy interest obligation; Improper financial control with respect to the efficiency of budgetary control and cash flow forecasting; Inadequacies of working capital; Ineffective utilisation of fixed assets and pricing policy that does not ensure a minimum rate of return on investment.

The core of financial performance centres on financial planning. But the planning unless followed by control does not serve any fruitful purpose. Therefore, there should be a continuous evaluation of accomplishment against the pre-determined standards followed by a corrective action for checking the variance. The financial planning and control really is not independent of pricing policy because a unit fails to meet interest and depreciation obligations, if it is not earning the minimum required return on capital employed. Further management of working capital and fixed assets lends itself to correction provided price of the product is reasonably fixed. It therefore, amounts to saying that price is the backbone of financial performance of a firm.

Cotton Textile Industry

The cotton textile, the oldest and the largest manufacturing industry among the organised industries, occupies an important
place in the Indian economy. It's contribution to the economic progress of the country has been immense. It has contributed both qualitatively and quantitatively. As far as the qualitative contribution is concerned, the industry has pioneered the growth of modern industrial consciousness in the country. Today, many leading industrial houses owe their initial entrepreneurial zeal of their entry in the field of textile industry. That is why, the cotton industry is known as the mother of India's modern industries.

Quantitatively too, if one looks at the expansion in the industry, it occupies a predominant position. In 1983, there were 875 mills in the industry with nearly 23.82 million spindles and over 2.1 lakhs looms. The industry has paid up capital of ₹ 45.6 crores and assets worth of ₹ 1300 crores. The total output of the industry was valued at ₹ 3600 crores. The industry consumed 74.3 lakhs bales of cotton of 170 kgs. each. The industry provided direct employment to 8.6 lakh workers. The exports of textiles were of the value of ₹ 1078 crores.4

**Historical Perspective**

In the historical retrospect of the industry, the first cotton mill was established at Calcutta in 1817. But it was not a financial success and the mill was finally closed down in 1840. But the Indian Cotton mill Industry was truly born on 7th July, 1854.


when Mr Cowarjee Davar floated "The Bombay Spinning and Weaving Company" which projected a mill at Tardeo, Bombay.

To take a look at the physical picture of the industry from the birth of the industry since 1854 to the beginning of 1984. Here are the relevant figures.

By the beginning of the 20th century, with the installed capacity of 4.9 million spindles and 41 thousand looms, there were 190 mills i.e. about four mills a year on an average was the growth rate. The number of mills increased from 190 in 1901 to 427 in 1947. The spindle capacity of the mills increased by more than double whereas weaving capacity increased almost five times. During this period 237 mills were added. It gave an average growth rate of 5 mills in a year.

During planning era, the number of spinning mills increased almost six fold from 103 in 1951 to 595 in 1984. Whereas the number of composite mills increased from 275 in 1951 to 280 in 1984. More meaningful estimate of growth of the industry can be made, while taking into consideration its capacity and production. The spindle capacity increased by more than double from 11 million spindles to 23.82 million spindles. Whereas the weaving capacity remained stagnant around two lacs looms, it was 1,95,000 looms in 1951 which increased to 2,10,000 looms in 1984. Because of a big boost to spinning, the output of yarn increased substantially whereas the output of the cloth increased marginally (Refer Table No.1.1)
Table No. 1.1

Growth of the Cotton Textile Industry (1854-1984)

<table>
<thead>
<tr>
<th>No. of Mills</th>
<th>1854 (Birth of Industry)</th>
<th>1901 (Beginning of 20th Century)</th>
<th>1947 (Before the partition)</th>
<th>1951 (Beginning of first plan)</th>
<th>1984 (Beginning of the year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Spinning</td>
<td>1</td>
<td>NA</td>
<td>NA</td>
<td>103</td>
<td>595</td>
</tr>
<tr>
<td>2. Weaving</td>
<td>Nil</td>
<td>NA</td>
<td>NA</td>
<td>275</td>
<td>280</td>
</tr>
<tr>
<td>Total (1+2)</td>
<td>1</td>
<td>190</td>
<td>427</td>
<td>378</td>
<td>875</td>
</tr>
</tbody>
</table>

Capacity
- Spindles (in Millions): 0.03 → 4.9 → 10.35 → 11.00 → 23.82
- Looms (in '000): Nil → 41 → 203 → 195 → 210

Production
- Yarn (in Million Kgs.): NA → NA → NA → 591 → 1415
- Cloth (in Million Mts.): NA → NA → NA → 3727 → 3528

Fig. 1  GROWTH OF COTTON TEXTILE INDUSTRY

NUMBER OF MILLS

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1854</td>
<td>1</td>
</tr>
<tr>
<td>1901</td>
<td>190</td>
</tr>
<tr>
<td>1947</td>
<td>427</td>
</tr>
<tr>
<td>1951</td>
<td>378</td>
</tr>
<tr>
<td>1984</td>
<td>875</td>
</tr>
</tbody>
</table>

CAPACITY

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SPINDLES</th>
<th>LOOMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1854</td>
<td>0.03</td>
<td>Nil</td>
</tr>
<tr>
<td>1901</td>
<td>4.9</td>
<td>41</td>
</tr>
<tr>
<td>1947</td>
<td>10.35</td>
<td>195</td>
</tr>
<tr>
<td>1951</td>
<td>11.00</td>
<td>210</td>
</tr>
<tr>
<td>1984</td>
<td>23.82</td>
<td>203</td>
</tr>
</tbody>
</table>

IN MILLIONS

IN 000
Problems of the Industry

The history of over 130 years is a reflection of all the ups and downs that abound the progress of growth of the cotton mills industry. It is faced with a number of problems. The industry is actually squeezed between high cost of production and low margin. Sectoral imbalanced growth because of a favourable attitude towards power loom and hand loom sector, excessive capacity which led to under utilisation, lack of modernisation because of inadequate funds and inferior and unstable prices of raw material increased the cost of operation. On the other side, production of controlled cloth at low price, adoption of multifibre which changed the pattern of consumption, low escalation in cloth Prices and decrease in export of cotton yarn and cloth had its negative impact on profitability of the industry. But even then since 1854, there was no looking back. A magnificent one hundred and thirty years of expansion had been truly ushered in, leading to the existence of no less than eight hundred seventy five mills at the commencement of the year 1984, distributed over twenty different states and near about two hundred towns, with the installed capacity of 23.82 million spindles and 210 thousand looms producing 1415.57 million Kgs. of yarn and 3528 million metres of cloth. 5

Magnitude of Sickness

The industry which bears a glamorous record of contribution to the economic growth of the nation, the industry which is known

as "Nursery of Indian Industries", the same cotton industry has been sick since 1965. The textile industry is operating at a very low profit for the last so many years. Only one fourth of the cotton spinning mills are running at a profit. The rest of the mills are either making no profits or running at a loss. Therefore, a vast majority of cotton mills are deep in debts and with continuous working in losses, they are caught in a vicious circle.

The population of sick units in cotton textile industry has been on the increase. As against 78 textile mills declared sick by the end of June, 1978, under the criteria adopted by the Reserve Bank of India, the number of sick textile units went upto 119 by the end of June, 1983. The percentage variation over the previous year was highest in the year 1982 i.e. 21.3 per cent, with the addition of 20 more sick units in the previous year total of 94. The incidence of sickness is the maximum in the cotton textile industry. Almost 25 per cent of the total number of sick units in the industry belong to this industry. It means out of every four sick units in the country, one belongs to the textile industry. On the other side, about 30 per cent of the amount of outstanding bank credit was due from the textile industry alone (Refer Table 1.2).

The magnitude of sickness in textile industry can further be estimated from the amount of soft loan availed. The "Soft Loan Scheme" was started to provide loans at concessional rates through financial institutions to selected units in the textile,
Table No. 1.2

<table>
<thead>
<tr>
<th>Year Ending June</th>
<th>Sickness in Textile Industry</th>
<th>Amount of outstanding bank credit (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of sick units</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In all Industries</td>
<td>In Textile</td>
</tr>
<tr>
<td>1978</td>
<td>325</td>
<td>78</td>
</tr>
<tr>
<td>1979</td>
<td>345</td>
<td>84</td>
</tr>
<tr>
<td>1980</td>
<td>389</td>
<td>89</td>
</tr>
<tr>
<td>1981</td>
<td>422</td>
<td>94</td>
</tr>
<tr>
<td>1982</td>
<td>439</td>
<td>114</td>
</tr>
<tr>
<td>1983</td>
<td>463</td>
<td>119</td>
</tr>
</tbody>
</table>

(Figures in parenthesis indicate percentage of sick units and amount of outstanding credit in textile to totals of all industries).

Fig. 2  SICKNESS IN TEXTILE INDUSTRY

- In all Industries
- In Textile

YEAR
NUMBER OF SICK UNITS
0 200 400 600
RUPEES IN CRORES
0 200 400 600 800 1000 1200 1400 1600 1800 2000
cement, sugar, jute and engineering industries. The largest number of applications for soft loan were received from the textile industry, which accounted for over 50 per cent of the loan sanctioned till December 1981 i.e. sum of ₹ 429 crores of total of ₹ 806 crores.  

All the information mentioned above indicate that the fortune of the cotton textile industry appear to be taking a turn for the worse. The situation is so bad that in August 1984 the number of mills lying closed was 67, with idle capacity of 1.84 million spindles and 21,048 looms. 1,09,893 workers have been affected by this closure.  

Public Sector  

Taking into consideration, the magnitude of sickness and general health of the textile industry, the government came to its rescue. A public sector Corporation called the National Textile Corporation Limited (NTC) was incorporated in 1968 to run these sick mills and nurse them back to health. The financial institutions and banks were also asked to provide soft loans at concessional rates to sick textile mills in the private sector. In 1972, the government passed an Act for taking over the management of the sick textile undertakings. The basic reason behind the passing of the Act was, the long term rehabilitation  

7 North India Cotton Textile Manufacturers Association, NICITMA Focus, NICITMA, New Delhi, Vol.3/84, p.10.  
of sick units, to maintain the production and distribution of cheaper varieties of cloth at fair prices. Late in 1974, the government nationalised 103 sick textile units involving 2.94 million spindles and 45,725 looms and covering 1.63 lakh workmen under the banner of National Textile Corporation Limited by paying a compensation of just over ₹39 crores. Today the number of mills under NTC stands at 125 and it accounts for approximately 18 per cent of spinning capacity and 23 per cent of the weaving capacity of the cotton textile mill industry of the country. The average daily employment in NTC mills is more than two lakhs workers.

**Choice of Industry**

The cotton industry needs profits to exist and sustain growth because poor profitability during the last 20 years has adversely affected its working capital as well as rehabilitation and modernisation plans. Whereas people want cloth at the lowest possible rates. Any marginal increase in prices of cloth attracts a wide public attention and press criticism. So the industry is poised to meet this challenge namely to supply the cloth at cheaper rates and at the same time to sustain growth by maintaining the production and employment of the workers.

Over a decade has passed, since the government nationalised the sick textile mills, crores of rupees have been invested for rehabilitation and modernisation of these sick mills. A number of government agencies, financial institutions and banks are
struggling to check and control the sickness in the cotton textile industry. The question to which extent the financial management of the sick units taken over by the Government or financed by the financial institutions, has improved to meet the above challenge allured and tempted me to take up the study of sick mills of this industry.

Research studies have been made on the financial working of textile companies/mills and on the problems of sick cotton textile mills for the different regions & the country. But no study has so far been made to examine the financial performance and progress made by the sick cotton textile mills of Northern region, which are either under the management of National Textile Corporation or financed under the soft loan schemes of financial institutions. The present study seeks to fill this research gap.

Objectives of the Study

It is a study of factual information regarding the financial performance of sick cotton textile mills of northern region. It examines the changes that have taken place therein over a given period of time. The objectives of the present study are:

1. (i) To study the symptoms, causes of financial sickness of cotton textile mills to suggest ways and means to prevent and cure sickness.

(ii) To examine the different formulae to predict sickness and to suggest the most suitable formula to detect sickness at the earliest date.
To examine the financial management of sick cotton textile mills with a view to:

(i) obtain a true insight into the financial position by undertaking a comparative study of the financial statements of these units;

(ii) examine the effect of changes in financial structure on the working of these mills;

(iii) examine the management of working capital and fixed assets to find whether the scarce financial sources are being utilised to their optimum level;

(iv) examine the profitability of these mills.

To examine the efforts done by different financial institutions to rehabilitate these sick mills and to suggest necessary modifications in this regard.

Scope

Textile industry manufactures a wide range of yarn and cloth from different raw materials namely cotton, wool, silk and manmade fibre. It consists of the mill and decentralised sectors. The mills are of two kinds, spinning mills which produce only yarn and composite mills which produce both yarn and cloth. The decentralised sector consists of handlooms, powerlooms and khadi. The decentralised sector is outside the purview of this study mainly due to lack of adequate data. By the end of 1983 there
were 875 mills in mill sector. Out of these mills, the number of sick mills in private sector was 63 whereas in the public sector were 125 sick mills.\(^9\) It was not practicable to cover all sick mills in the present study. Our analysis therefore is confined only to sick cotton textile mills in the northern region.

The Northern India has all 107 mills with installed capacity of 3018 thousand spindles and 21,749 looms. It accounts for one eighth in the total installed capacity of the country. Uttar Pradesh has the largest number of mills (42) in the regions followed by Rajasthan (28), Punjab (16), Haryana (15) and other States/Union Territories (6). (Refer to Table No.1.3)

<table>
<thead>
<tr>
<th>State</th>
<th>No. of mills</th>
<th>Spindles (,000)</th>
<th>Looms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>1</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>1</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Punjab</td>
<td>16</td>
<td>405</td>
<td>1240</td>
</tr>
<tr>
<td>Haryana</td>
<td>15</td>
<td>322</td>
<td>978</td>
</tr>
<tr>
<td>Delhi</td>
<td>4</td>
<td>166</td>
<td>3370</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>28</td>
<td>638</td>
<td>2939</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>42</td>
<td>1443</td>
<td>13222</td>
</tr>
<tr>
<td>Total</td>
<td>107</td>
<td>3018</td>
<td>21749</td>
</tr>
</tbody>
</table>

Source: North India Cotton Textile Manufacturers Association: NICTMA Focus, Vol.3/84, Table 1, p. 1 to 3.

\(^9\) North India Cotton Textile Manufacturers Association, NICTMA Focus, NICTMA, New Delhi, Vol.3/84, p.10.
All the sick cotton textile mills of both private and public sectors in the northern region comprising the states of Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir, Rajasthan, Uttar Pradesh and Union territories of Chandigarh and Delhi have been covered for the purpose of study. These sick mills are those mills, which are either under the management of National Textile Corporation or identified as sick mills by the financial institutions. The list of the mills included for the study is given below:

1. National Textile Corporation (Delhi, Punjab and Rajasthan) Limited and its constituents units:
   i) Ajudhia Textile Mills, Delhi
   ii) Dayalbagh Spinning and Weaving Mills, Amritsar (Pb.)
   iii) Kharar Textile Mills, Kharar (Pb.)
   iv) Suraj Textile Mills, Malout Mandi (Pb.)
   v) Edward Mills, Beawar (Raj.)
   vi) Mahalaxmi Mills, Beawar (Raj.)
   vii) Shree Bijay Cotton Mills, Bijay Nagar (Raj.)

2. National Textile Corporation (Uttar Pradesh) Limited, and its constituent units:
   i) Bijli Cotton Mills, Hathras (U.P.)
   ii) Lord Krishna Textile Mills, Saharanpur (U.P.)
   iii) Muir Mills, Kanpur (U.P.)
   iv) New Victoria Mills, Kanpur (U.P.)

3. Atherton Mills Limited, Kanpur* (U.P.)

4. Luxmirattan Cotton Mills Limited, Kanpur* (U.P.)

*These are managed by NTC(UP) Ltd. but not yet nationalised.
5. Birla Cotton Spinning & Weaving Mills Ltd., Delhi
6. Elson Cotton Mills Ltd., Balabghar (Hary.)
7. Madan Industries Limited, Hastinapur (U.P.)
8. Modi Spinning & Weaving Mills Ltd., Modi Nagar (U.P.)

The period selected for the study is from the year 1975 to 1984. The year 1975 is selected as the starting year because from this year nationalised sick textile mills restarted their production under the public sector corporation - National Textile Corporation Limited. During the period of ten years, the industry faced problems of power supply, production of controlled cloth, increase in the prices of inputs, low escalation in cloth prices and labour troubles. During the same period the first formal policy on textile industry came into existence in 1978 and another policy on textile industry was announced in 1981. The year 1978 has been taken as the base year for all comparison purposes because firstly by this year all the nationalised sick mills started production and secondly the accounting systems and procedures of these sick units had been streamlined.

The scope of this study stands, however, delimited to the years 1974-75 to 1980-81 in case of Birla Cotton Spinning and Weaving Mills Limited, Delhi as under a scheme of arrangement Texmaco Limited, Calcutta took over the textile mill at Delhi as going concern with effect from 1st April, 1981. Likewise, the study of Atherton Mills, Kanpur and Luxmi Rattan Cotton

Mills, Kanpur has been made for the years 1975-76 to 1983-84 and 1979-80 to 1983-84 respectively as taken over of management of both the mills by the Central Government has been challenged by erstwhile management and writ petition was pending before the Supreme Court. The accounts of uncovered period were still un-audited and were with the old management of the mill. Whereas the study of Modi Spinning and Weaving mills, Modi Nagar has been made from the years 1979-80 to 1983-84 as the company was declared sick only from the year 1979-80.

Methodology

A questionnaire was issued to all the sick cotton textile companies and their constituent units to supply information regarding the causes, symptoms and revival of their units from sickness. All companies responded to the questionnaire except one. In addition, the Chief Financial Executives of companies and their constituents units were interviewed in some cases to supplement the information already received and in other to cover up that company which had not responded to the questionnaire.

Almost the entire statistical data on which this study is based is original. It has been collected from the published Annual Reports and accounts of these companies which were


12 See questionnaire in Appendix F.
received directly from the registered offices of the respective companies. In the case of constituent units of these companies, the data relating to the financial statements have been collected exclusively from primary sources i.e. the mill premises of the respective units. Extensive use has also been made of books, research journals, magazines and bulletins.

To process the data scientifically to make analysis more effective and to make it easily understandable, the profit and loss accounts and balance sheets of sick cotton textile companies have been recasted and presented in a condensed form. The figures taken from annual reports and accounts have been rounded off up to two decimal places in lakhs of rupees. For the purpose of analysing financial statements, the techniques of common size statements analysis, ratio analysis and fund flow analysis have been used. The statistical techniques and methods like average, standard deviation, correlation, regression, range, index numbers, diagrams, charts, etc. have also been used.

Limitation

Where data relating financial statements were not available or where a sick company remained closed for a whole year, the figure 'Zero' was substituted in the data for all variables of both statements i.e. profits and loss account and Balance Sheet for computer programming convenience.

2 While rounding off the figures up to two decimal by the computer, there is an error to the extent of ± .01.
3 Only Profit & Loss Account and Balance Sheet figures were analysed and interpreted. What happened during the year to these figures of sick companies, the researcher did not know as he had no access to the internal records of day-to-day working.

4 Though only these companies are included for the study, which are manufacturing yarn and cloth or yarn alone from cotton yet these companies also undertake the production of yarn/yarn and cloth from raw material other than cotton. So the profitability of the companies, who are manufacturing the different varieties of cloth/yarn from raw materials other than cotton varies because of difference in prices of these products. The Inter-firm comparisons are subject to this limitation.

Plan of the Study

The study has in all eight chapters including the present one. Chapter 2 examines various definitions, causes, symptoms and prediction models/techniques of corporate sickness. It attempts to find out the best suitable definition and model/technique of prediction of corporate sickness, which should be relevant to prevailing conditions. It also attempts to identify symptoms and to prove the causes of sickness of cotton mills of Northern region of the country.

Chapter 3 to 7 deals with the financial performance of sick cotton textile companies during the period of study from 1975 to 1984. Chapter 3 deals with financial planning and control.
It studies the size, source and structure of capital. It also presents an analytical survey of control techniques followed by the sick companies. Chapter 4 deals with the fixed Assets Management. It examines growth, size, utilisation of fixed assets. Chapter 5 examines the concept of the working capital and its managements and control as a whole. It attempts an analysis of the size, circulation, adequacy and comparative liquidity of working capital of all the sick companies and their constituent units. Chapter 6 studies the salient features of price policies and their effect on profitability of the companies. It also tests the effects of some variables of cost of production on price fixation. Further it seeks to focus attention on the profitability of the companies. It also attempts to evaluate the performance and recovery of the companies from sickness.

Chapter 7 examines the role played by the financial institutions in financing the sick cotton textile mills of Northern region. Chapter 8 presents the summary and main findings of the study.