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PERFORMANCE OF COTTON SPINNING MILLS - AN ECONOMIC ANALYSIS OF SELECTED UNITS IN PRAKASAM DISTRICT OF ANDHRA PRADESH

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Abstract

Food, clothing and shelter are the basic needs of human beings. The requirement of cloth to the human beings is to protect themselves from light, wind and rain. The vision of the manufacture of clothes was sophisticated. The cotton spinning and weaving and cloth manufacturing were always emphasized in India. Indian historical evidence testifies this. Large number of handloom units was established in India before 1600A.D. The handloom industry in India is, by far the largest cottage industry with having high employment potential. It provides employment to millions of artisan weavers and is only second to agriculture in providing livelihood. The grasamer silk of Varanasi, fine muslin of Deccan and Patola of Baroda and other fabrics of Andhra Pradesh, Assam, Karnataka, Manipur, Orissa and Tamilnadu have been famous for ages. The cotton textile products have become indispensable for all sections of people through out the world. The industry has been emerging as a highly organized one in almost all countries today. In fact, many countries have made a significant progress in manufacture of cotton textile products. In order to provide adequate clothing to the growing global population, several countries have been going in a big was by taking more land under cotton crop cultivation and thereby to increase the production and productivity in the cotton textile industry. The textile industry is the single largest foreign exchange earner for India. Currently it accounts for about 8 % of GDP, 20 % of the industrial production and over 30 % of export earnings of India and it have only 2-3 % import intensity. About 38 million people are gainfully employed with the industry making it the second largest employment providing sector after agriculture. In this article examine the performance of spinning mills in terms of manpower employment in Prakasam District of Andhra Pradesh.

Key words: Cotton Mills, Economic Scenario, Manpower Employment, GDP

Introduction:

The activities of handloom industry range from ginning and spinning, weaving, reeling and cotton manufacturing. In the olden days this handloom activity was popular in villages and the workers used to manufacture high quality and attractive products that enjoyed market widely. Infect, the handloom products exhibit the skill of workers engaged in the industry. The handloom industry in India is, by far the largest cottage industry with having high employment potential. It provides employment to millions of artisan weavers and is only second to agriculture in providing livelihood. The grasamer silk of Varanasi, fine muslin of Deccan and Patola of Baroda and other fabrics of Andhra Pradesh, Assam, Karnataka, Manipur, Orissa and Tamilnadu have been famous for ages.

The father of the Nation M.K. Gandhi pleaded the Indians not to wear imported textiles and their appeared a Swadeshi movement. The import of cotton yam and textiles, inadequate supply of raw materials, lack of working capital, severe competition multiplied the problems of cotton industry. The advent and growth of spinning mills forced the weavers gradually to leave the traditional weaving occupation and take-up mill made cloth occupation. However, weavers became idle and unemployed.

The Andhra Pradesh State Textile Development Corporation (APSTDC) was established in 1975 with the main objective of assisting the handloom industry by implementing special programs aimed at boosting the industry in the state. It has been the pioneer in marketing and distribution of raw materials to cotton industry in Andhra Pradesh. It has over three decades of valuable experience in procuring the raw cotton from the farmers. It participates in the export of all cotton products inclusive of garments, cotton yam and others. The corporation facilitates direct import of cotton yam, handling of cargo from Andhra Pradesh ports and other sources. The corporation has been accredited by IRDA to act as corporate agent in the insurance sector for a period of three years. A Memorandum of Understanding (MOU) has been entered into with M/s. United India Insurance Company Limited. The MOU broadly envisages formulating unique policies for cotton growing farmers depending upon their actual needs. Later, the activities of APSTDC slackened and from 2020 the corporation became defunct practically.

Review of Literature

Allan B. Moimtjoy,(1968) in his study on industrialization in underdeveloped countries stated that by our present day standards all countries were once underdeveloped. What has happened is that over the centuries a few nations by their energy, invention and determination have moved faster than a vast majority who moved but slowly[1].

[1] Alan B. MountJoy, Industrialization in Underdeveloped countries, Hutchinson University, London, 1968, p.24.

Rose (1988) was also the first writer to report and analyze industrial change in India. A scrutiny of relevant literature on small industry leads the author to conclude that while the data show continued growth of unit, they do not indicate either unusually rapid rate of growth of unit, they do not indicate either unusually rapid rate of growth or one that is faster than that of the large-scale sector. From the investigation, the author brings out that unit policy while protection is anti-growth and that small-scale production may note capital saving in terms ofoutput and employment or both relative to large scale production[2]

"The Indian Cotton Textile Industries - Overview", (2002) stated that the agriculture has made the major contribution to growth while the performance of organized industry has been most disappointing. In this regard an overview of the Indian cotton textile industries must be helped to the manufacturers and the country's economy. Selected intermediate industries like cotton textiles, jute and sugar have made good results in the future. A well designed questionnaire was prepared and presented to the government recently[3].

India is a leading exporter of cotton fabrics and cotton apparel. In 1960-61 export of cotton yam fabrics - readymade garments came to a modest Rs. 64 crores but on 2000-2001, it had risen to Rs. 28,400 crores. India's exports of readymade garments had picked up much more suitably in recent years. The value of apparel was hardly Rs.one crore in 1960-61 and it raise rapidly since then and touched a high ofRs. 15,320 crores in 2000-01[4].

Objectives and Methodology

Cotton textile industry being the oldest consumer goods manufacturing industries in India, assumes greater economic significance by virtue of its size, investment, employment and output. The industry encompassing a variety of installations produces a wide range of fabrics to suit specific needs and varied tastes of the consumers, besides claiming 20 per cent share in India's export basket. Further, larger area is under cotton crop and many cotton textile mills are functioning in this country using capital and providing employment. In view of this, an attempt is made to study the performance of Manpower employment in cotton spinning mills in Prakasam district of Andhra Pradesh state.

Objectives of the Study

The important objectives of the study are

1. To examine the performance of spinning mills in manpower Employment.
2. To identify the problems and suggest measures to promote the performance of spinning mills.

[2] Rose, Mary B. (2000), Firms, Networks and Business Values: The British and American Cotton Industries since 1750, Cambridge: Cambridge University Press.
[3] An outline of Agricultural situation in Andhra Pradesh, 2000, p.16
[4] Agriculture situation in India, Vol.XX, No.2 May, 2004, p.131, Directorate of Economics & Statistics, Department of Agriculture and Co-operation, Ministry of Agriculture, Government of India, Krishna Bhavan, New Delhi.

Methodology

This research work is based on both secondary data and primary data. Secondary data relating to the spinning mills in Andhra Pradesh have been collected from the records and documents available in the office of Andhra Pradesh Industries development corporation, Hyderabad. Further detailed information relating to the spinning mills is obtained from the Prakasam District Industries Centres at district level. Data on the components of capital, expenditure, production, loans harrowed, details of employment have been collected from the annual reports of the selected spinning mills in Prakasam district in Andhra Pradesh. In addition to this, literature on handloom industry and cotton textile industry including the spinning mills is collected from journals, books, working papers, various published and unpublished reports, publications of Government of India and Andhra Pradesh.

Sampling Design

In this study a sample of 52 per cent of total spinning units is taken up for detailed investigation and survey to examine their performance. In other words a sample of 23 spinning mills which constitutes 52 per cent of 12 mills of Prakasam district of Andhra Pradesh has been selected by using the simple stratified random sampling technique. The selection of a unit proposed by the random number is further judged qualitatively based on the age of the particular unit. Such units having an age of less than five years have been rejected entry into the sample and it is done to secure data only from those units which have completed gestation period and free from start-up troubles. Hence, the sample represents a fair coverage of three regions with the units having minimum age in the production in Andhra Pradesh. The selected spinning mills for survey are shown in table 1.2. As stated earlier, the analysis of this study is based not only on secondary data but also on the primary data collected from the selected spinning mills on various aspects of the functioning of the mills. For the purpose of primary data.

Table 1.2.

List of Selected Spinning Mills in Prakasam district

S. No	District	Name of the Mills	Year of Establishment
1	**Prakasam**	M/s. Sarvaraya Spinning Mills	1973
2		M/s. Visweswaraya Spinning Mills	1981
3		M/s. Ongole Co-op. Spinning Mills	1977
4		Sri Sai Ganesh Spinning Mills Private Limited	2006
5		Nestham Ginning And Spinning Mills Private Limited	2014
6		Av Kumar Textile Industries Private Limited	2018
7		Ashta Lakshmi Spinning Mills (india) Private Limited	2012
8		Anjaneya Spinning Mills Private Limited	2010
9		Jayamani Spinning Mills (india) Private Limited	2012
10		Parchur Spinning Mills Private Limited	2010
11		Shyamal Natural Dyes Private Limited	2008
12		Jaiden & Jaisen Garments (opc) Private Limited	2021

Source: Andhra Pradesh Industrial Development Corporation, 2021

collection, a schedule is designed and personal interviews are conducted to ascertain the performance of spinning mills. The schedule contains three parts - first part relating to the Owners, second part relating to Managers and third part relating to workers. Attempt is also made to examine in the problems of spinning mills so as to suggest some measures to overcome these problems**.**

Statistical Tools

The primary data collected have been organized into tables and analyzed using the (SPSS) simple tools like ratios, percentages to provide a lucid picture of the existing situation. Growths rates are used to estimate the growth of spinning mills in terms of capital, wages etc., and are presented in simple and two-dimensional bar diagrams and pie-diagrams.

The basic objective of calculating the debt-equity ratio is to measure the relative interests of mill owners and creditors in the firm. A standard debt-equity ratio for all industries is neither desirable nor practicable. Thus, the debt-equity ratio norms would be different in different mills. Debt-equity ratio is calculated to analyze the debt-

equity ratio in terms of the relative proportion of long term debt to the shareholder's equity so as to arrive at its net worth.

Data analysis of Manpower Employment in Spinning Mills

Men, Material, Money, Machinery, Marketing and Management are the most important infrastructure in the productive process. In the productive process man occupies the most important place and he is the only animate factor, while others are inanimate agents. Among the various types of planning necessary to accelerate productivity, manpower planning is the most important and the most difficult one. This is mainly because there is no uniformity in the mental and physical attitudes and aptitudes of the workforce.

The primary objective of manpower planning is to provide adequately trained and qualified personnel to several departments to meet the requirements necessary. Manpower planning should aim at effective, forecasting of the needs, developing appropriate policies and reviewing and controlling the total process. Manpower in the economic sense is defined as the managerial, scientific, engineering, technical, skilled and unskilled human resources employed in creating and designing, developing, managing and operating productive and service enterprises[5]. So, our planners to set aside other desirable goals in order to see that as good record as possible is achieved in the area of employment in units, which are deemed to be relatively labour-using is often justified[6].

Cotton spinning mills are conveniently growing in absorbing local available manpower to the maximum extent in Andhra Pradesh. Further, spinning mills help in the expansion of employment levels in the region while fulfilling the sons-of-the-soil argument. However, employment is increasingly becoming a difficult task to secure, people from different districts and different states are also in search of employment in spinning mills also. Table 1.3 shows the employees from the native district, other district and other states accommodated in the spinning mills selected for study.

[5] Khan, Q.U., Concepts and Methodology of Estimation of manpower supply, Manpower Journal, Vol. VIII, No.3, Oct-Dec, 1972,p.l01.
[6]Hostelitz, B.F., The role of industry in the process of economic growth, Hague, 1968, Part-II, p.138.

Table 1.3

Workers employed in Spinning Mills of Prakasam district (2020-21)

S. No.	Name of the Mill	Within the district	From other districts of A.P.	From other states	Total employed
1.	Sarvaraya Spinning Mills	338 (93.63)	---	23 (6.37)	361
2.	Visweswaraya Spinning Mills	171 (62.41)	102 (37.23)	1 (10.36)	274
3.	Ongole Co-op. Spinning Mills	150 (93.75)	7 (4.37)	3 (1.88	160
4.	Sri Sai Ganesh Spinning Mills Private Limited	782 (100.00)	---	---	782
5.	Nestham Ginning And Spinning Mills Private Limited	665 (76.93)	15 (23.07)	---	680
6.	Av Kumar Textile Industries Private Limited	204 (88.70)	23 (10.00)	3 (1.30)	230
7.	Ashta Lakshmi Spinning Mills (india) Private Limited	447 (99.11)	4 (0.98)	---	451
8.	Anjaneya Spinning Mills Private Limited	550 (100.00)	---	---	550
9.	Jayamani Spinning Mills (india) Private Limited	119 (88.81)	---	15 (11.19)	134
10.	Parchur Spinning Mills Private Limited	150 (68.18)	48 (21.80)	22 (10.00)	220
11.	Shyamal Natural Dyes Private Limited	72 (100.00)	---	---	72
12.	Jaiden & Jaisen Garments (opc) Private Limited	123 (85,42)	16 (11.11)	5 (3.47)	144
	All Mills	3771 (92.93)	215 (5.30)	72 (1.77)	4058 (100.00)

Note: Figures in the parentheses indicate percentage to total manpower.
Source: Annual Reports of Mills (2020-21).

Growth and development of an industry is judged from its productivity level, productivity is a direct function of quality or skills of labour. In the process of development of cotton spinning mills in Andhra Pradesh, educational qualifications of employees as well as management ability is important. The educational level attained by manpower indicates the potentiality of the mill for achieving higher levels of productivity. If the employees have sufficient educational background, further they can utilize the new technology to expand production. Higher productivity is achieved through skill formation and knowledge. Education and training

impart skills and knowledge to the labourers / employees. Therefore, the educational qualifications of the employees precisely determine the quality of productivity levels. It is from this point this aspect has been considered and looked into, enabling the researches to establish a correlation between educational qualifications and productivity levels. In this context, "Visweswarayya", observed that 'Any neglect of quality in order to meet unfair competition will bring about the ruin of the industry even though all other circumstances may be favorable. The educational levels of workers employed in the selected spinning mills are shown in Table 1.4.

Table 1.4

Educational levels of workers employed in Spinning Mills (2020-21)

SI. No.	Name of the Mill	Below SSC	SSC	Inter	ITI	Diploma	Graduates	P.G.	Technical Degree	Total Workers
1.	Sarvaraya Spinning Mills	290 (80.33)	15 (4.15)	9 (2.49)	13 (3.60)	5 (l .38)	8 (2.21)	10 (2.27)	11 (3.04)	361
2.	Visweswaraya Spinning Mills	240 (87.59)	8 (2.91)	7 (2.55)	3 (l.09)	4 (I .45)	4 (1.45)	4 (l .45)	4 (1.45)	274
3.	Ongole Co-op. Spinning Mills	125 (78.12)	10 (6.25)	9 (5.62)	‘”	d (3.75)	4 (2.45)	3 (1.87)	3 (1.87)	160
4.	Sri Sai Ganesh Spinning Mills Private Limited	682 (81.32)	25 (5.18)	20 (4.14)	8 (2.21)	20 (2.07)	9 (1.86)	9 (1.86)	9 (1.65)	782
5.	Nestham Ginning And Spinning Mills Private Limited	565 (82.70)	40 (6.01)	25 (3.75)	11 (1.65)	10 (1.50)	10 (1.50)	10 (1.50)	9 (1.50)	680
6.	Av Kumar Textile Industries Private Limited	192 (82.60)	10 (4.34)	8 (3.47)	5 (2.17)	5 (2.17)	4 (1.73)	4 (1.73)	2 (0.86)	230
7.	Ashta Lakshmi Spinning Mills (india) Private Limited	391 (86.47)	12 (2.66)	10 (2.21)	7 (1.55)	7 (1.55)	5 (l .10)	10 (2.21)	9 (1.99)	451
8.	Anjaneya Spinning Mills	450 (81.81)	30 (4.45)	20 (3.63)	10 (1.81)	10 (10.81)	10 (1.81)	10 (1.81)	10 (1.81)	550

	Private Limited									
9.	Jayamani Spinning Mills (india) Private Limited	101 (75.37)	15 (l 1.19)	7 (5.22)		4 (2.98)	2 (1.49)	3 (2.23)	2 (1.49)	134
10.	Mahaveer Mih	182 (82.72)	8 (3.63)	10 (4.54)		7 (3.18)	8 (3.63)	2 (0.90)	3 (1.36)	220
l1.	Shyamal Natural Dyes Private Limited	54 (77.77)	7 (9.72)	2 (2.77)	3 (4.16)	2 (2.77)	2 (2.77)		2 (2.77)	72
12.	Vardhman Mill	98 (68.05)	20 (13.88)	7 (4.86)	4 (2.77)	4 (2.77)	3 (2.08)	5 (3.47)	3 (2.08)	144
All Mills		3370 (83.05)	200 (4.93)	134 (3.30)	64 (1.58)	84 (2.07)	69 (1.70)	70 (1.72)	67 (1.65)	4058

Note: Figures in parentheses indicate percentage to total manpower Source : Annual Reports of Mills (2020-21).

It is observed that the educational levels of employees working in selected spinning mills range from below SSC to Post-graduate level and some are also technically qualified. Out of the total workers nearly 2.00 percent each of the workers have the qualifications of ITI, Diploma, and degree, Post-graduate and technical degree. These employees may be working in the office and other cadres. A little more than 3.00 percent of the total employees have intermediate qualification while nearly 5.00 percent have SSC qualification. It is interesting to note that 83.05 percent of the total employees of the selected spinning mills are below SSC qualified workers. This indicates majority of these employees are workers who are engaged in manual and non-technical works. Naturally, they may be earning wages either on daily basis or weekly basis.

Every spinning mill needs employees of different productive levels in the process of production and management. The employees are expected to involve in the specified work for which they are employed and put their effort individually and collectively the growth and development of the mills. This efficiency of the individual employees would intern reflection on the performance of the mills. The cadres in which the employees working in the selected mills include Managers, Assistant Managers, Supervisors, Administrative Staff, Technical and Non-technical workers. The employees working in different cadres of selected spinning mills of Prakasam district in Andhra Pradesh are shown in table 1.5.

Table 1.5

Cadre-wise distribution of workers employed in Spinning Mills (2020-21)

SI. No.	Name of the Mill	Manager	Assistant Manager	Super visors	Administrative	Technical/ Skilled	Unskilled	Total workers
1.	Sarvaraya Spinning Mills	14 (3.87)	2 (0.55)	12 (3.32)	11 (3.04)	121 (33.51)	201 (55.67)	361
2.	Visweswaraya Spinning Mills	7 (2.25)	2 (0.72)	8 (2.91)	8 (2.91)	52 (14.96)	197 (75.91)	274
3.	Ongole Co-op. Spinning Mills	8 (5.00)	5 (3.12)	8 (5.00)	10 (6.25)	72 (45.00)	57 (45.00)	160
4.	Sri Sai Ganesh Spinning Mills Private Limited	18 (3.73)	15 (3.1 I)	21 (4.35)	32 (6.73)	196 (40.66)	500 (63.93)	782
5.	Nestham Ginning And Spinning Mills Private Limited	25 (3.75)	18 (2.70)	41 (6.16)	52 (7.81)	212 (31.87)	332 (47.66)	680
6.	Av Kumar Textile Industries Private Limited	18 (7.82)	12 (5.12)	14 (6.08)	ld (6.95)	72 (31.30)	98 (42.60)	230
7.	Ashta Lakshmi Spinning Mills (india) Private Limited	17 (3.75)	14 (3.10)	16 (3.54)	24 (5.32)	82 (18.18)	298 (66.07)	451
8.	Anjaneya Spinning	18 (3.27)	28 (5.03)	42 (7.63)	54 (10.54)	102 (18.54)	366 (54.90)	550

	Mills Private Limited							
9.	Jayamani Spinning Mills (india) Private Limited	7 (4.22)	9 (6.71)	8 (5.97)	10 (7.46)	52 (38.80)	48 (35.82)	134
10.	Parchur Spinning Mills Private Limited	9 (4.09	12 (5.45)	l s (6.81)	20 (9.09)	76 (34.54)	88 (40.00)	220
11.	Shyamal Natural Dyes Private Limited	3 (4.16)	4 (5.55)	12 (Id.66)	3 (4.1d)	18 (25.00)	32 (44.44)	72
12.	Vardhaman MiI1	5 (3.47)	8 (5.55)	5 (3.47)	6 (4.16)	48 (33.33)	72 (50.00)	144
All Mills		149 (3.67)	129 (3.18)	202 (4.98)	246 (6.06)	1103 (27.18)	2229 (54.93)	4058

Note: Figures in parentheses indicate percentage to total workers Source : Annual Reports of Mills (2020-21).

It is noted that the percentage of employees in the cadres of unskilled jobs is 54.93 per cent, which is slightly higher compare to the remaining skilled employees of other cadres in the spinning mills. The technical personnel are those who have ability to do skilled work and administrative work efficiently. This category includes Managers, Assistant Managers, Supervisors, Administrators and other technical skilled labours. The technical and skilled labourers account for 45.07 per cent of the total employees.

The wage structure showing the monthly wages earned by the workers employed in the selected spinning mills of Prakasam district is presented in table 1.6. It is observed that 71.56 per cent of labours draw low wages of less than Rs.800 per month and only 0.54 per cent of employees draw a very high salary of more than Rs.1400 per month. Further, 19.64 per cent of employees draw wages less than Rs.1000 per month. Hence, only 1.79 per cent of employees are paid wages more than Rs.1200/- per month. It is clear that a significant proportion of employees receive such a meager wages with which they have to cut out their livelihood and put to a great suffering. These situations subsequently put them below poverty line and hence get contented with a low standard of living. Further, it is observed the low level of wages for the labours would push them to low productivity and continue to remain in the same state of vicious circle of poverty.

Table 1.6

Monthly wages earned by the workers employed in the Spinning Mills (2020-21)

SI. No.	Name of the Mill	Rs. 600-800	Rs. 800-1000	Rs. 1000-1200	Rs. 1200-1400	Rs. 1400 & above	Total workers
1.	Sarvaraya Spinning Mills	250 (69.25)	80 (22.15)	25 (6.93)	3 (0.83)	3 (0.83)	361
2.	Visweswaraya Spinning Mills	216 (78.83)	30 (10.65)	10 (3.65)	16 (5.84)	2 (0.73)	274
3.	Akkamamba MiH	39 (24.37)	90 (56.25)	28 (17.50)	2 (1.25)	1 (0.63)	160
4.	Sri Sai Ganesh Spinning Mills Private Limited	717 (91.68)	53 (10.99)	11 (2.28)	1 (0.20)	---	782
5.	Nestham Ginning And Spinning Mills Private Limited	628 (94.13)	37 (5,56)	12 (1.76)	3 (0.44)	---	680
6.	Av Kumar Textile Industries Private Limited	179 (76.52)	24 (10.44)	24 (10.44)	1 (0.43)	2 (0.86)	230
7.	Ashta Lakshmi Spinning Mills (india) Private Limited	274 (60.75)	98 (21.73)	71 (15.74)	5 (1.11)	3 (0.67)	451
8.	Anjaneya Spinning Mills Private Limited	414 (76.27)	102 (18.54)	22 (4.00)	7 (1.27)	5 (0.90)	550
9.	Jayamani Spinning Mills (india) Private Limited	31 (23.13)	83 (61.94)	18 (13.43)	l (0.75)	l (0.75)	134
10.	Parchur Spinning Mills Private Limited	84 (38.18)	86 (39.09)	18 (8,18)	30 (13.63)	2 (0.91)	220
11.	Shyamal Natural Dyes Private Limited MiII	37 (51.39)	26 (36.11)	8 (11.11)	l (1.39)	---	72
12.	Vardhaman Mill	35 (24.31)	88 (61.1 l)	16 (11.11)	2 (1.39)	3 (2.08)	144
All Mills		2904 (71.56)	797 (19.64)	262 (6.46)	73 (1.80)	22 (0.54)	4058 (100)

Note: Figures in parentheses indicate percentage to total workers
Source: Annual Reports of Mills (2020-21).

Conclusion

It is observed that the spinning mills provide a strong base for employment creation. The mills in the Nestham Ginning And Spinning Mills Private Limited, Anjaneya Spinning Mills Private Limited and Sri Sai Ganesh Spinning Mills Private Limited have provided employment to workers with in the districts. While the mills in other districts could draw some employees from other districts and states as well. The educational qualifications of large proportion of manpower is below S.S.C (81.90) is quite significant in the mills. Henceforth, the adoption of new technology and standards appear as far reaching phenomenon in the spinning mills. The percentage of unskilled labourers is very high in the spinning mills compared with other cadre showing that more manpower is engaged in production front.

Majority of manpower i.e., 55.81 per cent is unskilled labourers in production side and the rest 44.19 per cent constitutes skilled labour. Trained employees are only 29.19 per cent of which 95 per cent has undergone skilled training. Further, it seems some of the spinning mill employees have undergone training to adopt new techniques and to improve the quality and design of yam on par with the international standards.

It is noticed that 71.56 per cent of the employees draw wages less than 800 per month due to lack of job security and absence of trade unions lead to low bargaining strength for higher wages and other incentives. So, that the employees feel a sort of humiliation and exploitation by the mill owners in Andhra Pradesh. The government policies and programs adopted to provide minimum wages to the labourers have not taken shape to do justice to the labourers who are working in the spinning mills. Hence, the government has to look after the welfare of the spinning mills labourers by insisting the entrepreneurs of the mills to pay the reasonable wage to them.

Suggestions

1. Adequate supply of cotton is to be ensured to some of the spinning mills located away from the cotton growing districts. For this purpose Cotton Corporation of India shall open cotton procurement centers in the nearby districts to facilitate regular input feeding to these spinning mills.
2. The performance of the cotton spinning mills has been discouraging over the years and hence firm decision may be taken to stop the establishment of new cotton spinning mills in the state more especially in the non cotton growing districts. Necessary arrangements are to be made for the timely supply of cotton by the Cotton Corporation ofIndia to the existing mills.
3. In many of the cotton spinning mills the share of own capital is less than the share of debt capital. This trend needs to be checked and the ratios of ownership capital and debt capital are to be made equal to impose adequate responsibility on the owners to run the industry.
4. It is suggested that banks may extend increased amount of loans to the cotton spinning mills to meet their ever increasing working expenses. Spinning mills with a good record of repaying the loans may be

provided with larger amounts of funds for working capital. Banks may think of providing "input loans" by playing the cost of cotton input to the Cotton Corporation of India purchased by the spinning mills.

5. Management shall take care of the medical facilities like first aid to meet the emergencies and arrange for the treatment of injured in the local hospitals. In order to earn the loyalty of the workers reasonable accident benefits and compensations are to be offered to the employees of the mill. Workers are to be granted operational freedom to discharge their duties effectively.

   If necessary, workers may be permitted to participate in the management affairs of the firm to enhance workers cooperation in the functioning of the industry.

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