CHAPTER - VI

IMPACT OF ANANTAPUR COTTON MILLS - YERRAGUNTAPALLI
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Anantapur Cotton Mills is situated on a forty five acres of land on Tadpatri-Anantapur road, 10 km away from Tadpatri. The location of the industry is very close to Yerraguntapalli hamlet village. The industry was under private management with a production capacity of 12,096 spindles until 1974. As it became a sick unit it was brought under the administrative control of National Textile Corporation (APKK & M) Limited, Bangalore.

The industry was modernised in 1974 and expanded in 1984-85 by increasing the production capacity to 32,188 spindles. Different stages of the production process followed in Anantapur Cotton Mills, Yerraguntapalli are presented in Appendix III. A survey is conducted and some of the employees of the Mill, daily workers, badlies, villagers and shop-keepers around the industry are contacted and their opinions are collected to evaluate the impact of Anantapur Cotton Mills, Yerraguntapalli on the development of the nearby villages.

6.1: GROWTH OF YERRAGUNTAPALLI

Yerraguntapalli was a tiny village with 150 houses with a population of 900 in 1961 and expanded into a 250
house village with a population of 1,300 in 1971. The villagers used to go to Tadpatri for their purchases as Yerraguntapalli was not an important place for transport. Cotton was the lead crop of the village.

With the establishment of Anantapur Cotton Mills near Yerraguntapalli, the need for housing, transport and other facilities increased. Employees and workers from different parts of the district settled near the village leading to the growth of the village.

There was a spurt in the house construction activity in the village. More than 25 quarters were constructed for the employees and another 40 workers constructed their houses near the village. All these houses are provided with electricity and water supply facilities. According to 1991 census information there are 844 houses in the village with a population of 3,803.

The sinking of eight bore wells in the newly developed area and the road facilities are comfortable. More than one hundred houses were built by the Government for weaker sections near Yerraguntapalli village. To cater to the health needs of the people a primary health sub-centre is opened in the village.
Thus, there has been a significant growth of town ship near the village and at present Yerraguntapalli is on the threshold of becoming a village panchayat. In spite of this, there is shortage of housing accommodation and some employees are residing in Tadpatri town. Arrangements are being made by a private land owner to construct apartments near the industry.

To cater to the increasing needs of the increased population 15 to 20 shops have come up in the village. Majority of the traders are migrants from the nearby towns. Commercial establishments like canteens, small business houses and shops are located near the industry. For the benefit of the employees the industry is running a canteen supplying refreshments at subsidised rates. As the industry is on the road the transport arrangements increased significantly. It is also noted that a town service bus is running between Yerraguntapalli and Tadpatri.

Before 1970 many villagers, in the absence of alternative employment opportunities, were agricultural workers. The Anantapur Cotton Mills, provided employment to more than 100 villagers of Yerraguntapalli and 50 people from the nearby villages. Most of the daily workers of the
industry are from Yerraguntapalli. Women are also engaged in different capacities in the production process of cotton yarn in the industry. Thus, majority of beneficiaries from the industry are the people from Yerraguntapalli, Putlur, Muchchukota and Peddapalamada villages.

6.2: PROBLEMS OF THE INDUSTRY

Supply of raw material is the main problem for the industry. Due to the drought conditions of the district the cotton crop cultivation disappeared in the district and hence the industry depends upon the cotton supplied by Cotton Corporation of India, Girijan Market Federation and Maharashtra State Co-operative Cotton Grower Marketing Federation Limited. These agencies are not supplying the raw material regularly in required quantities. The variation in the prices of cotton and transport expenses are placing heavy financial burden on the industry.

The other important problem is the supply of labour. The employees formed a union and are demanding less hours of work, higher wages and other benefits such as housing accommodation, vehicle loans, festival advances. They are also demanding the regularisation of the daily workers on a permanent basis at higher salaries, which increases the financial burden on the industry.
During the harvest season the industry faces acute a shortage of daily workers, who take up work in agricultural operations. To avoid this problem the industry raised the wages of daily workers from ₹.25 to ₹.39 in 1989.

The production capacity of the industry has been low because of the wear and tear in the capacity of machines, frequent power cuts and failures, non-availability of skilled and semi-skilled workers etc. The revenues to the industry are low because of the unpredictable nature and violent fluctuations in the prices of industrial produce of the industry. The marketing agencies for the purchasing of cotton yarn are far away from the industry creating problems. The low revenues and higher expenditure placed the industry in a disadvantageous position and the surplus and reserves of the industry are declining over a period. As a result industry is unable to pay the cost of raw materials immediately at the time of purchase. Therefore, the interest charges on the payments towards the purchase of raw materials have been accumulating forcing additional burden on the industry.

For all these reasons the expenditure of the industry is exceeding its receipts leaving a deficit or loss to the industry. Hence, the performance of the industry has
not been satisfactory. However, the industry has been receiving subsidy from central sector to cover a major portion of its deficit. Therefore, National Textile Corporation (APKK & M) Limited, Bangalore, reported that Anantapur Cotton Mills is one of the best managed units under its control. From this it is inferred that the impact of this industry is effective and contributed for the development of Yerraguntapalli and nearby villages in Anantapur district.

6.3: SUGGESTIONS

In view of the problems confronting the industry following suggestions may be thought of for improving the efficiency and performance of the industry.

1. Additional housing accommodation need to be provided for the employees of the industry to save their strain on travel and thereby increase their efficiency.

2. Better health facilities are to be provided near the industry to its employees to improve their efficiency.

3. Trained and qualified workers are to be employed by the industry.

4. In order to use the services of male workers more efficiently and productively female workers are to be employed to replace male workers in certain jobs.
5. Higher wages are to be offered to attract the daily workers during the harvesting season.

6. Supply of raw material is to be assured at reasonable prices by establishing a sales depot at Hyderabad.

7. Similarly remunerative prices are to be assured for the cotton yarn produced by the industry.

8. Regulated power supply is to be ensured for the industry.

9. To enhance the production capacity of the industry old machines are to be replaced by new machines.

10. Adequate storage facilities are to be provided within the premises of the industry.

11. Laboratory facilities are to be provided to test and to suggest to adjust the quality of the final product of the industry.