

## **Impact Assessment and Action Plan for Healthy Growth of Spinning Mills**

ITCOT has conducted a techno-commercial study of seven spinning mills funded by a commercial bank.

The study was conducted covering various levels focusing on Sector level issues, Cluster level issues and unit level issues. The unit level issues were addressed with respect to the visit made by ITCOT to the seven spinning mills funded by the bank. Study was conducted by with respect to the visit made to these mills to conduct an on the spot observation of:

- Technical performance achieved in terms of productivity machine and men, quality standards and wastage.
- Condition of the machinery including the age, make, maintenance practices.
- Work practices followed by the workmen, training methods, and recruitment procedure.
- Quality monitoring systems for raw material, in process goods and finished goods.
- Product mix and production planning system.
- Market segment and the management of market dynamics.

Data were also collected for many of the above-mentioned parameters for a period of time. Discussions were held with the top management and also at different levels of the mill officers to understand the management systems being followed in the mills and also the future plans being worked out for the growth of the company.

Based on all the inputs collected, a detailed analysis of the individual mills was done and ratings were done for various performance indicators in the areas of Technical, Labour and a SWOT analysis for each mill was done. A detailed list of suggestions was given for the improvement of the units and an action plan was laid out for the bank to have a better monitoring of these mills, which includes

- Taking steps to buy and stock raw material (cotton) during the beginning of the season when the price is very competitive and the quality is also superior.
- Initiating steps in recruiting workmen from other states to overcome the shortage of local workers.
- Individual mills have been advised to relocate the old machines and also to plan for installation of more automated machines.

- Certain changes in the product mix and market diversification was also suggested on case-to-case basis.
- To install fuel-efficient generators and wind turbines so that the perennial problem of power shortage can be faced without much difficulty.
- Monthly / Quarterly monitoring of the mill operations to be done by the bank nominated independent team.

