CHAPTER IV

POWERLOOM SECTOR

The decentralised powerloom sector plays a pivotal role in meeting the clothing needs of the country. The powerloom industry produces a wide variety of cloth, both grey as well as processed. Production of cloth as well as generation of employment has been rapidly increasing in the powerloom sector. During 2000-2001, the production of cloth, in the decentralised powerloom sector was 23,803 millions sq. mtrs. and employment generation 4.15 million during 2000-2001. The corresponding figures for 2001-2002 estimated at 25,542 million sq. mtres. and 4.23 million respectively. Its production was estimated at 59.13% of the total cloth production of the country (2000-2001).

Powerloom fabric also successfully competes in the global market and contributes significantly in the export earnings of the country. Therefore, to encourage new and incremental powerloom exports, the Government has earmarked specific export quota of fabric and made-ups to quota countries covered by Multi-Fibre Arrangement (MFA) for powerloom manufacturers since the year 1992. Starting with 3%, it was enhanced to 5% in the year 1993 and further to 10% from the year 1998. The same is now enhanced to 15% for the year 2000-2004.

GROWTH IN THE POWERLOOM SECTOR:

The estimated number of powerlooms in the decentralised sector in the country at various stages till 30th September, 2001 had been as below:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Power looms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>14,15,844</td>
</tr>
<tr>
<td>1997-98</td>
<td>15,34,398</td>
</tr>
<tr>
<td>1998-99</td>
<td>15,99,144</td>
</tr>
<tr>
<td>1999-2000</td>
<td>16,29,853</td>
</tr>
<tr>
<td>2000-2001</td>
<td>16,61,550</td>
</tr>
<tr>
<td>2001-2002</td>
<td>16,65,722</td>
</tr>
</tbody>
</table>

(Source : State Govts & UTs)

PRESENT POLICY RELATING TO INSTALLATION OF POWERLOOMS:

In terms of Textiles(Development & Regulation) Order, 1993, every person on installing powerlooms sector must submit an Information Memorandum in the prescribed form to an Officer notified in this behalf by the State Government within whose territory the powerloom has been installed, with a copy thereof to the Textile Commissioner, Mumbai.

The Textiles (Development & Regulation) Order 2001 was issued in supersession of
MINISTRY OF TEXTILES

the earlier, and the procedures for submission of information greatly simplified. In acknowledgement of the increasing liberalisation in economic policy, regulatory powers of the Textile Commissioner were also curtailed considerably.

ALL INDIA POWERLOOM BOARD:

The All India Powerloom Board was first constituted as an Advisory Body in November 1981. This Board was reconstituted for a period of two years on 21.12.2000. It has representatives of the Central and State Governments and federation/association of powerloom industry, as its members. The first meeting of this re-constituted AIPB was held on 9/5/2001 at New Delhi, and the second meeting at Mumbai on 15.12.2001.

PROGRAMME OF THE MODERNISATION OF THE DECENTRALISED POWERLOOM INDUSTRY:

The policy approach to the Powerloom Industry may be broadly stated as being one of facilitating technology upgradation of the sector so as to improve quality of production and productivity, while providing a set of welfare measures at the same time which will provide a social safety net for the survival of those hardest hit by the globalisation of trade.

The textile Package, announced by the Finance Minister in the Budget for 2001-2002, called for modernization of the weaving sector by induction of 50,000 shuttleless looms & of 2.5 lakh semi-auto looms in the decentralized sector.

Pursuant to the announcement, a programme for modernization of the decentralized powerloom sector by 2004 has been drawn up. The main instrument is the TUFS, which has been modified to allow the beneficiary the option of taking a 5% reimbursement of loan rate or a 12% subsidy upfront linked to credit. The Lead implementation Agency is the Powerloom Service Centres (PSCs), which are being modernized and are proposed to be strengthened to carry out a facilitation role. A cluster approach is being followed, and 16 major powerloom clusters have been identified to make a focused effort for modernization. The state governments coordination has been emphasized; SIDBI and the banks are being drawn into the programme, Office of the Textile Commissioner is the managing organization, and has been restructured to enable a developmental approach. Funds for the 2.5 lakh looms modernization programme are provided in the budget as part of the provision for
TUFs. Funds in the powerloom head of the budget are provided for modernizing the PSCs and for welfare schemes of group insurance and work-sheds.

**UPGRADATION OF PSC LABORATORIES:**

Ministry of Textiles had also decided to upgrade the existing laboratories in the PSCs so that the decentralized powerlooms sector entrepreneurs could get the modern testing facilities in their nearby areas itself. For this purpose, so far under the scheme the laboratory of 14 PSCs, seven under TXCO at Erode, Surat, Burhanpur, Malegaon, Amritsar, Kishangarh and Belgaum and seven under TRAs PSCs at Panipat, Bhilwara and Meerut (under NITRA), Icchakaranji (under BTRA), Salem and Dodballapur (under SITRA) and PSC Bhiwandi (under SASMIRA) have been upgraded and an amount of Rs. 1070.00 lakh have already been spent. For the year 2000-2001 / 20001-02, the laboratories of 15 more PSCs, one under TXCO at Cuttack and 14 under TRAs at Shankarankovil, Nagari, Paladum, Thiruchengode, Bangalore, Komarapalayam, Betagiri, Somanur, Salem, Karur, Bhiwandi-II, Sachin, Pandesara and Ahmedabad are proposed to be upgraded with an estimated cost of about Rs. 241.74 lakhs. A review of the Laboratory testing charges has since been done and the same have been examined by the three members committee set up to review the organizational structure, management and functioning of the Power Service Centers.

![Image](ANNUAL REPORT 2001-2002)

*Shri M.Y. Menon, Chairman PDEXCIL welcoming Shri.Dhananjay Kumar, Hon’ble Minister of State for Textiles, at the Seminar on Latest Developments in the processing of woven fabrics at Komarapalayam, Tamilnadu.*

**COMPUTER AIDED DESIGN CENTRES:**

To facilitate the creation of new designs, improve the designs and production in the fast changing global tradition in fashion, the computer Aided Design(CAD) system plays a vital role. The fabric simulation technique available with this system helps create fabric-like appearance on the computer screen without actually going in for various colour combinations and weaving of sample cloth. The simulated fabric design could be sent for approval of the buyer/consumer before going in for a large scale production, thereby saving time and money. This can also be stored, retrieved and also altered very quickly depending upon the design and size. Manual design and card punching takes more than 15 days, whereas this system reduces the time to a day or two. The initial cost of CAD system though high, pays off in the long run as CAD replaces the time consuming and labour intensive manual card punching method. Competitiveness also increases as CAD enables them to respond
quickly to the changing fashion.

So far 17 Computer Aided Design Centre (CADC) at Coimbatore, Karur, Komarapalayam and Somanur (Tamil Nadu), Surat and Ahmedabad (Gujarat), Solapur, Iccalkaranji and Bhiwandi and Mumbai (Maharashtra), Bhilwara (Rajasthan), Ghaziabad (U.P) Bangalore and Dodbullapur (Karnataka), Burhanpur and Indore (M.P), and Panipat (Haryana) are established in the country. The Implementation Committee set up for modernisation and strengthening of the PSCs has been entrusted to study the feasibility of new centres as well as strengthening of existing centres.

Electronic connectivity between the PSC-CAD Centers and the NDC to be taken up initially on an experimental basis in to such centers namely Panipat (NITRA, Haryana) and Solapur (BITRA, Maharashtra), has been firmed up. The NITRA has since operationalised the connectivity at its Panipat CAD Centre. The BTRA is following-suit shortly in its Solapur CAD center.

POWERLOOM WORKER’S INSURANCE SCHEME:

Government of India has introduced a Group Insurance Scheme for Powerloom workers in association with the Life Insurance Corporation of India since 1992-93. Under this scheme powerloom workers aged between 18 to 60 years and earning a minimum average pay of Rs.700/- p.m. can join the scheme. There is no restriction of number of members from each family. Any number of members from a particular family who are powerloom workers and falling within the eligibility criteria can avail of the benefit under this scheme. The annual premium of Rs.10,000/- for death in normal circumstances. In case of death due to accident, an amount of Rs.20,000/- is paid to the family of the member in addition to the accumulated amount in the member’s running account payable with the interest @11% p.a. During 2000-2001, a sum of Rs. 0.66 lakh have been released. The scheme was redrafted in order to obtain a greater response & placed before the All India Powerloom Board. The Board desired a greater role and share for the State Governments than the proposal suggested. The matter is consequently under reference to the State Governments.