CHAPTER-IV

DECENTRALISED POWERLOOM SECTOR

The decentralized powerloom sector plays a pivotal role in meeting the clothing needs of the country. Production of cloth as well as generation of employment have been rapidly increasing in the powerloom sector. This sector not only contributes significantly to the cloth production in the country but also provides employment to millions of people. During 2002-2003, the production of cloth in the decentralized powerloom sector was 25954 millions sq. mtrs., while employment generation was 4.23 million. The corresponding figures estimated for 2003-2004 are 27945 million sq. mtrs. and 4.58 million respectively. The powerloom industry produces a wide variety of cloth, both grey as well as processed with intricate designs. The contribution of powerloom sector to the total cloth production of the country was to the extent of 63% during 2003-2004. 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 vide Notification No.1/129/99-Export-I dated 12.11.1999.

GROWTH IN THE POWERLOOM SECTOR

The estimated number of powerlooms in the decentralized sector in the country by the end of February 2004 was 18.36 lakh as below:

<table>
<thead>
<tr>
<th>Table 4.1</th>
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<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>1999-2000</td>
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<tr>
<td>2000-2001</td>
</tr>
<tr>
<td>2001-2002</td>
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<tr>
<td>2002-2003</td>
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<tr>
<td>2003-2004 (as on March 2004)</td>
</tr>
</tbody>
</table>

(Source: State Govts. & UTs.)

PRESENT POLICY RELATING TO INSTALLATION OF POWERLOOMS

In terms of Textile (Development & Regulation) Order, 2001, every person on installing the powerlooms should submit an Information Memorandum in a prescribed form to the Textile Commissioner, Mumbai, within 30 days of installation provided that in case of installation of such machinery
in the SSI Sector, a copy of such information memorandum shall also be filed to an officer notified in this behalf by the State Govt.

**POWERLOOM SERVICE CENTRES**

There are 14 Powerloom Service Centers (PSCs’) functioning under the O/o the Textile Commissioner and 25 PSCs functioning under the different Textile Research Associations (TRAs) namely ATIRA, BTRA, MANTRA, NITRA, SASMIRA, IJIRA and SITRA. Four PSCs are functioning under Karnataka State Powerloom Development Corporation (KSPDC) and PSC Jabalpur is functioning under the administrative control of State Govt. of Madhya Pradesh. Thus there are a total of 44 such centers.

**PERFORMANCE OF POWERLOOM SERVICE CENTRES**

During the period April 2003 to March 2004 the 44 PSCs trained 7033 persons, developed 3074 designs and tested 61578 samples. During this period, PSCs have organized 243 numbers of exhibitions, seminars and workshops.

**MODERNISATION AND STRENGTHENING OF EXISTING PSCs**

The powerlooms in the PSCs are very old and outdated and cannot run for a long time continuously. The looms and equipments in the PSCs and the machinery existing in the industry in the area do
not match. In such circumstances it becomes very difficult to attract people from that area for training. Naturally, the weavers attending the training demand such training on the latest looms and equipments and not on the existing machinery available with the PSCs. In many cases, the training becomes highly theoretical, as the PSC is not able to give practical orientation and training due to lack of modern machinery. Taking into consideration, these ground realities, the expectations of the powerloom industry and the need for the thrust on technological Upgradation in the industry, the modernisation and strengthening programmes of the Powerloom Service Centers was taken up with the Ministry. Accordingly, in the first phase under IXth Plan, the Textiles Committee was appointed as the nodal agency and Rs.12.67 crore had been allotted to them for the modernization programme under which 21 PSCs were modernized for Rs. 11.78 crore against estimated cost of Rs. 16.09 crore. All machinery has been installed and commissioned in PSCs.

Of the remaining 23 PSCs which are to be modernized under the Xth Plan, Rs. 231.31 lakh were released in the year 2002-03. During the year 2003-04 Rs. 227.10 lakh was released for modernization of 9 PSCs.

**COMPUTER AIDED DESIGN CENTRES**

So far 17 Computer Aided Design Centres (CADC) at Coimbatore, Karur, Komarapallayam and Somanur (Tamil Nadu), Surat and Ahmedabad (Gujarat), Solapur, Ichalkaranji, Bhiwandi and Mumbai (Maharashtra), Bhilwara (Rajasthan) and Ghaziabad (Uttar Pradesh), Bangalore and Doddaballapur (Karnataka), Burhanpur and Indore (Madhya Pradesh), and Panipat (Haryana) are established in the country. These have been set up to help the decentralized and small powerloom units to access new designs and help upgrade fabric by product development inputs.

**ALL INDIA POWERLOOM BOARD**

The All-India Powerloom Board was first constituted as an Advisory Body in November 1981. This Board was reconstituted on 27th October, 1998 and 21st December 2000 for a period of two years respectively. It has representatives of the Central and State Govts., Powerloom Federation / Association of Powerloom industry, as its members and is headed by the Hon’ble Union Minister of Textiles as the Chairman. The Union Secretary (Textiles) and the Textile Commissioner are the Vice Chairman and Member Secretary respectively of the AIPB.

On expiration of the tenure of the AIPB Govt. of India again re-constituted the AIPB for a period of 2 years vide Ministry O.M. No. 1/38/2002-CT-I(PL) dated 18.02.2003.

**POWERLOOM PACKAGE**

In the Union Budget 2003-04, the then Finance Minister has announced a package for the decentralized powerloom tex-
To strengthen the existing programme for Induction of technology in the weaving sector by:

- Enlarging the existing Technology Upgradation Fund Scheme (TUFS) to cover modernization of Powerlooms;
- Introduction of a new Group Workshed Scheme together with the State Governments to create a better working environment and obtain higher productivity; and improvement of other infrastructure facilities under the Textile Centre Infrastructure Development Scheme (TCIDS);
- Providing insurance cover to the powerloom workers against death, accident and disability under a special Group Insurance Scheme.

Government has formulated the following schemes to implement the package:

**ENLARGEMENT OF TUFS**

The Cabinet Committee on Economic Affairs (CCEA) has approved this Ministry’s proposal to provide a Credit Linked Capital Subsidy @ 20% for the bench marked technology-weaving machinery costing up to Rs. 60 lakhs; for the decentralised powerloom sector and to include all genuine Non-Banking Financial Companies (NBFCs) to provide credit for modernisation.

**GROUP INSURANCE SCHEME FOR POWERLOOM WORKERS**

The Govt. of India has launched a revised Scheme, the “Welfare of Powerloom Workers through Group Insurance Scheme”, which has been implemented with effect from 1st July 2003. There are two separate components under the scheme (1) Janashree Bima Yojana (JBY) and (2) Add-On-Group Insurance Scheme (GIS).

In case of JBY, the total premium is Rs.200/- of which Rs. 100/- shall be paid from the Social Security fund of Govt. of India through LIC, and the balance of Rs.100/- shall be shared between Govt. and beneficiaries in the ratio of 60:40. In case of Add-on-GIS, the total premium is Rs.180/-, which will be equally shared by Govt. of India and beneficiary on 50:50 basis.

A beneficiary will have the option of choosing either of the schemes or both. The coverage benefits under the scheme are as under:

<table>
<thead>
<tr>
<th>Component</th>
<th>Natural death</th>
<th>Accidental Death</th>
<th>Total Permanent Disability</th>
<th>Partial Permanent Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>JBY</td>
<td>Rs. 20,000/-</td>
<td>Rs. 50,000/-</td>
<td>Rs. 50,000/-</td>
<td>Rs. 25,000/-</td>
</tr>
<tr>
<td>Add-On-GIS</td>
<td>Rs. 30,000/-</td>
<td>Rs. 30,000/-</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Both</td>
<td>Rs. 50,000/-</td>
<td>Rs. 80,000/-</td>
<td>Rs. 50,000/-</td>
<td>Rs. 25,000/-</td>
</tr>
</tbody>
</table>
In addition to the above, a worker under JBY will also be entitled to an education grant of Rs.300/- per child, per quarter, for two children studying in IX to XII standard under LICs Shiksha Sahayog Yojana.

**GROUP WORK SHED SCHEME FOR POWERLOOM WEAVERS**

The Govt. of India has introduced a Group Workshed Scheme for the decentralised Powerloom Sector, under the current five year plan, which aims at setting up of Powerloom Parks with modern weaving machines to enhance their competitiveness in the Global Market.

Under this scheme, subsidy for construction of workshed would be limited to 25% of the unit cost of construction subject to a maximum of Rs. 80/- per sq.ft. whichever is less. Ordinarily, an area of 14,400 sq.ft per beneficiary is restricted. Promoters’ contribution will be 10% and remaining 65% may be raised as loan from financial institutions.