

CHAPTER IX

THE DECENTRALISED POWERLOOMS SECTOR

The decentralised powerlooms Sector plays a pivotal role in meeting the clothing needs of the country. The powerlooms 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 powerlooms sector. There are 19.44 lakh powerlooms in the country as on March 31, 2006, distributed over approximately 4.30 lakh units, constituting 47% of global powerloomage. The powerlooms sector contributes about 62% to the total cloth production of the country, and provides employment to about 48.60 lakh persons, which is around 60% of the total employment in textiles sector. It is estimated that more than 60% of the cloth meant for export comes from the powerlooms sector.

Growth in the Powerloom Sector

The estimated number of powerlooms in the decentralised sector in the country till March 31, 2006 was 19,43,892. The details of the number of powerlooms set-up since 2002-03, are at table 9.1.

Table 9.1

Year	Powerlooms
2002-2003	16,92,737
2003-2004	18,36,856
2004-2005	19,02,953
2005-2006	19,43,892
2006-2007 (till 30-08-2006)	19,54,393

(Source: State Govts. & UTs./ Regional Office of the Textiles Commissioner)

Cloth production

The details of total cloth production and production by the powerlooms sector during the Xth five year plan are at Table 9.2.

Modernisation & Strengthening of Powerlooms Service Centres (PSCs)

Out of 44 PSCs, which are administered by the office of the Textile Commissioner and other agencies, 21 Powerlooms Service Centres (PSCs) were modernised during the IXth five year plan with modern machinery and equipment such as Shuttleless looms of various types like

Table 9.2

Year	Total production	Production on Powerlooms	%age of Powerlooms over total Production	%age increase over previous year	
				Total production	Powerlooms production
2002-03	41973	25954	62%	(-) 0.15%	3%
2003-04	42383	26947	64%	1%	4%
2004-05	45378	28325	62%	7%	5%
2005-06 (P)	49008	30254	62%	8%	7%

Projectile, Rapier, Airjet, Automatic Cop Changing Looms, Drop Box Looms, Pirn winders, Cone winders, Sectional warping machines, etc. Of remaining 23 PSCs, modernisation of 9 PSCs has been completed and 5 PSCs are nearing completion, and the rest of the remaining 9 PSCs have been taken up for modernisation and would be completed by March 2007.

Of 44 PSCs, 14 PSCs are managed under the office of the Textiles Commissioner, 25 PSCs are run by different TRAs, 4 PSCs under the KSPDC, Bangalore & 1 PSC is run by the Madhya Pradesh State Powerloom Weavers Co-op. Federation.

Performance of Powerlooms Service Centres

During 2005-06, 44 PSCs trained 7023 persons, developed 3073 designs & tested 77,857 samples and generated revenue of Rs. 75.17 lakhs. During this period, PSCs organised 350 exhibitions, seminars & workshops. The achievements during the 5 months (April to Aug. 2006) of the current year are as under:-

1. No. of Trainees - 2839
2. No. of Designs developed - 1611
3. No. of sample tested - 28631
4. Total Revenue generation - 32.58 (Rs. in lakhs)

5. No. of Exhibitions, Seminar & Workshops - 129

Computer Aided Design Centers

The 17 Computer Aided Design Centres (CADC) have been established at:-

Coimbatore, Karur, Komarapalayam 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). These CADCs help the decentralised and small Powerlooms units to access new designs and improve the quality of the fabric.

Modernisation of the Decentralised Powerlooms Sector

The Government have launched a major programme for modernisation of the powerlooms sector by induction of 50,000 Shuttleless looms and 2.5 lakh semi-automatic/automatic looms in the decentralised powerlooms sector. The emphasis has been on the Technology Upgradation Fund Scheme (TUFS). The different categories of looms installed under modernization from 2001-02 to 2005-06 is at Table 9.3.

Table 9.3

Sr. No.	Type of looms installed	2001-02	2002-03	2003-04	2004-05	2005-06	Total
1	Semi Automatic looms	483	14994	4732	3161	2298	25668
2	Automatic looms	1230	1916	1193	1912	2466	8717
3	Shuttleless looms	1923	3595	3639	3809	4165	17131
	Total	3636	20505	9564	8882	8929	51516

In addition, about 2.00 lakh plain looms have been in-situ upgraded to semi auto looms.

Group Insurance Scheme for Powerlooms Workers

The Government of India have launched a revised Scheme "Welfare of Powerlooms Workers through Group Insurance Scheme" in association with LIC from July 1, 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/- is paid from the Social Security Fund of Govt. of India through Life Insurance Corporation of India (LIC) and 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 the beneficiary on 50:50 basis.

The beneficiary has the option of choosing either one or both the Schemes. The coverage benefits under the Scheme are at Table 9.4.

In addition, a beneficiary under JBY is also entitled to the education grant of Rs.300/- per child / per quarter for two children studying in IX to XII standard, under LICs Shiksha Sahayog Yojana. Under the schemes, 2,66,536 workers have been insured while GOI share of premium to the extent of Rs. 173.75 lakhs has been released between July 2003 to March 2006.

The progress of the scheme is at Table 9.5.

Table 9.4

Component	Natural Death	Accidental Death	Total Permanent Disability	Partial Permanent Disability
JBY	Rs. 20,000/- (Increased to Rs. 30,000/- w.e.f. 15-8-2006)	Rs. 50,000/- (Increased to Rs. 75,000/- w.e.f. 15-8-2006)	Rs. 50,000/- (Increased to Rs. 75,000/- w.e.f. 15-8-2006)	Rs. 25,000/- (Increased to Rs. 37,500/- w.e.f. 15-8-2006)
Add-On-GIS	Rs. 30,000/-	Rs. 30,000/-	--	--
Both	Rs. 50,000/- (Rs. 60,000/- w.e.f. 15-8-2006)	Rs. 80,000/- (Rs. 1,05,000 w.e.f. 15-8-2006)	Rs. 50,000/- (Rs. 75,000 w.e.f. 15-8-2006)	Rs. 25,000/- (Rs. 37,500/- w.e.f. 15-8-2006)

Table 9.5

Year	No. of workers enrolled			GOI Share of premium (Rs.)		
	JBY	Add on GIS	Total	JBY	Add on GIS	Total
2003-04	49498	10840	60338	2969880	975600	3945480
2004-05	92992	16810	109802	5579520	1512900	7092420
2005-06	77907	18489	96396	4674420	1664010	6338430
2006-07 (up to Sept. 2006)	32018	10150	42168	1921080	913500	2834580

Group Workshed Scheme

The Group Workshed Scheme for decentralised powerlooms sector was introduced on July 29, 2003. The scheme aims to set-up Powerlooms Parks with modern weaving machinery to enhance their competitiveness in the global market. Under this Scheme, subsidy for construction of Workshed is limited to 25% of the unit cost of construction subject to a maximum of Rs. 80/- per sq. ft., whichever is less. Ordinarily, 4 sheds of 3,600 sq. ft. (i.e., an area of 14,400 sq. ft) per beneficiary is restricted. The promoters' contribution is 10% and remaining 65% has to be raised as loan from financial institutions. During 2004-05, Rs. 600.00 lakh (RE Rs. 386.00 lakh) was earmarked and no amount was released.

The release of the subsidy is back ended and fund allocated for this scheme during the previous years could not be utilised because no project was received for

funding. During 2006-07, Rs. 83.25 lakhs was allocated to this scheme. M/s Cauvery Hi-tech Weaving park will be completed and subsidy of Rs. 362.88 lakhs. The two other Parks namely Robotex Hi-Tech Weaving Park and Vithal Textiles (P) Ltd. are also likely to come up during 2006-07.

20% CREDIT LINKED CAPITAL SUBSIDY

The Government is implementing 20% Credit Linked Capital Subsidy scheme under the TUFS to help the decentralised powerlooms sector. The scheme was announced on November 6, 2003, and is applicable to Powerlooms in SSI sector only. Under the scheme, Rs. 77.25 crores was disbursed to 1188 cases from November 2003 to February 2007. The progress under 20% CLCS- TUFS for Decentralised sector is at Table 9.6.

During 2006-07, Rs. 50.00 crores had been earmarked for the above component.

Table 9.6

Sr. No	Year	Cases Sanctioned	Subsidy (Rs. in crores)
1	2003- 2004	4	0.10
2	2004-2005	150	6.00
3	2005-2006	368	23.00
4	2006-07 (as on 26-02-07)	761	55.85