CHAPTER – IV

POWER LOOM INDUSTRIES: FINANCE & POLICIES

AS PART of its efforts to prepare the textiles sector to compete with China, the Centre is mulling Rs 35-crore programme to modernise and strengthen power loom service centres during the 10th Five-Year Plan. Official sources said that the textiles ministry had worked out a scheme according to which Rs 10 crore will be non-recurring expenditure and Rs 25 crore will be recurring. Sources said that the ministry will also undertake an evaluation of the power loom service centres modernised during the Ninth Plan through an independent agency during the next fiscal. Efforts will be made to hand over the running of the centres to the state government and industry associations by the end of the 10th Plan. While the power loom service centre scheme has been operating since 1978, it was first evaluated by an independent agency in 1996 when a study carried out by the Indian Institute of Foreign Trade revealed several deficiencies in the functioning of the scheme. It suggested modernising all the 44 centres. Under the 10th Plan 21 centres were modernised.

The textile sector is the sector promoted by Mahatma Gandhi in from of khadi in British era. Khadi becomes symbol of nationalism. So in independent India every government formed they give special treatment to textile industry. The power loom owners having low stock value limit no scrutiny of income-tax by IT Department.

Indian textile consumption is 60% of cotton textile and 40% of Indian made synthetic. Well spread 27 lakh power looms now plays important role in Indian
economy and also earn substantial amount of foreign exchange in which cotton and denim have more popularity in European countries as well as USA.

Developing countries cannot afford by sustaining use of traditional household machineries. As profit margins are directly proportion to the production and hence new technologies cannot be neglected only because of the reason of financial scarcity. On this ground and liberalization policy and keeping watch on rapid movement of globalization and brand value of Indian textile in the international market. Our Prime Minister Dr. Manmohan Singh instructed all the textile manufacturers to upgrade their equipments and use computer aided technology for high speed and uniform quality products in textile industry to support his statement our Finance Minister P. Chidambaram proposed Rs.2,400 crore to modernise the power loom segment under the technology upgradation fund scheme (TUFS) for the textile sector. It has been proposed to continue the TUFS for the textile sector in the 12th Plan with an investment target of Rs. 151,000 crore while presenting the union budget 2013-14 to the lower house of parliament. The budget also proposes to set up apparel parks within integrated textile parks with an allocation of Rs.50 crore to the textile ministry.

The power loom operators of Surat will be given insurance cover with accidental death benefit from now on. The initiative has been taken by the newly-formed Ved Road Art Silk Small Scale Co-operative Federation. The Ved Road industrial zone comprises 50,000 power loom machines and provides employment to over 25,000 textile operators. Most of the operators working in the power loom sector belong to Orissa, Uttar Pradesh, Bihar and Maharashtra. Now the weaving industry is slowly converting itself into a co-operative. As a first step, the federation has registered over 1,200 members, and the membership drive is on to cover some 4,000 members in the Ved Road zone. The federation will carry out various programmes
and seminars for the manufacturers for discussion on topics related to latest technology and new varieties in the market and research work. The unit owners will also be given information on how to market their products. Besides, the members will be made aware about the various policies and schemes of the Textile Ministry. The purchase and sales will also be done through this federation. Devesh Patel, president of the federation, said: "The federation will purchase yarn from the big companies in large quantities, which will then be sold to the members." For labourers, the federation will make identity cards comprising their name and address, along with the name and address of the company and the employees' native address and phone number, said Patel. Besides, the operators will also be benefited with insurance cover from the Textile Ministry, Jantri Bima Yojna and the Surat Municipal Corporation (SMC). The Textile Ministry will extend insurance cover up to Rs 1.50 lakh on a premium of Rs 80 per annum, while the SMC will provide insurance of Rs 10,000 at Rs 12 per annum. The children of the textile operators studying in classes VIII, IX and X will be provided with subsidy of Rs 1,200 in their school fees, Patel further said.