Shri Ujwal Lahoti, Chairman Texprocil welcomed the new initiative of the Ministries of Textiles and Power called SAATHI which is an acronym for the Sustainable and Accelerated Adoption of efficient Textile technologies to help small Industries.

This initiative is expected to benefit the almost 25 lakh power-loom units in the country which produce 57 percent of the total cloth in the country. The use of efficient equipment would result in energy savings and cost savings to the unit owner who would in turn repay in instalments to EESL (Energy Efficient Services Limited) over a 4 to 5 year period.

Shri Lahoti stated that the provision to repay in instalments is a novel idea as it will not cast undue burden on the small power-loom owners since they will not be required to incur any additional capital expenditure.

Shri Lahoti pointed out that this initiative is a step in the right direction as there is enormous scope for increasing the production and exports of fabrics from India in view of the abundant availability of raw materials and technical skills in the country.

The exports of fabrics can be increased substantially if they are treated on par with garments and made-ups in terms of incentives. However, in spite of these advantages and even though the weaving capacity has increased by 12% over last seven years, the woven fabric production has decreased by 3.58% as the fabric export has become uncompetitive due to various added costs, non-refund of State levies and the duty free access enjoyed by countries like Pakistan, Bangladesh, Vietnam in EU market.

Shri Lahoti added that the government should look at extending the ROSL (Refund of State Levies) benefit of above 5% to the fabric sector, so that the product gets exported and not the embedded taxes.