



# Ministries of Power & Textiles join hands under new initiative SAATHI (Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries) EESL to provide energy efficient Powerlooms equipment to small and medium units at no upfront cost

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Ministries of Power and Textiles have joined hands under a new initiative **SAATHI (Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries)**. Under this initiative, Energy Efficiency Services Limited (EESL), a public sector entity under the administrative control of Ministry of Power, would procure energy efficient Powerlooms, motors and Rapier kits in bulk and provide them to the small and medium Powerloom units at no upfront cost.

The SAATHI initiative of the Government will be jointly implemented by EESL and the office of the Textile Commissioner on a pan-India basis. To kick start the implementation, cluster wise demonstration projects and workshops will be organized in key clusters such as Erode, Surat, Ichalkaranji, etc.

The use of these efficient equipment would result in energy savings and cost savings to the unit owner and he would repay in installments to EESL over a 4 to 5 year period. This is the aggregation, bulk procurement and financing model that EESL has successfully deployed in several sectors like LED bulbs, Smart Meters and Electric Vehicles. The unit owner neither has to allocate any upfront capital cost to procure these equipment nor does it have to allocate additional expenditure for repayment as the repayments to EESL are made from the savings that accrue as a result of higher efficiency equipments and cost savings. The aggregation of demand and bulk procurement will also lead to reduction in capital cost, benefits of which will be passed on to the Powerloom units so that their repayment amount and period would reduce.

The Powerloom sector in India is predominantly an unorganized sector and has a large number of micro and small units which produce 57 percent of the total cloth in the country. There are 24.86 lakhs Powerloom units in this country, most of whom use obsolete technology. With a view to upgrading the technology, the Government of India has been implementing the INSITU upgradation of plain Powerlooms as part of Power Tex India under which plain Powerlooms are attached with process control equipment leading to higher productivity, better quality and more than 50 percent additional value realisation. So far 1.70 lakhs plain Powerlooms have been upgraded under the scheme, with a total Government of India subsidy of Rs. 186 crores.

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