Executive Summary

1	Structure of Powerloom Industry
2	Pre-Weaving Machinery and Loom Technology
3	Textile Products and Processes
4	Raw Material (Yarn) Mix
5	Marketing Channels
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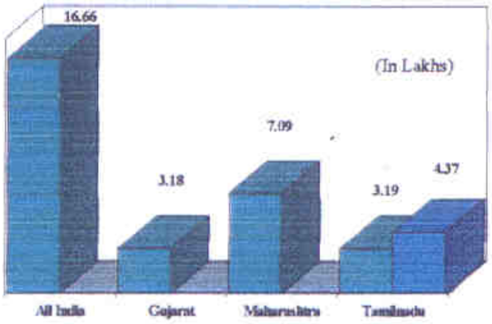
1 Structure of Powerloom Industry

(a). Size of the Industry

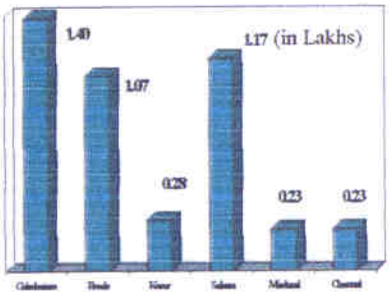
- 4.37 lakh is estimated number of powerlooms in the year 2002 in Tamilnadu
- It accounts for about 25% in the country's total of 16.66 lakh registered looms as compared to Maharashtra's 7.09 lakhs and Gujarat's 3.18 lakh in 2001
- Total employment is an estimated 7 lakh people that includes 5.5 lakh in weaving alone
- It has recorded an annual average growth of 6% as compared to 2% at national Level
- Mainly Produces Cotton textiles for domestic and export markets



(b). Cluster wise Dispersal of Looms

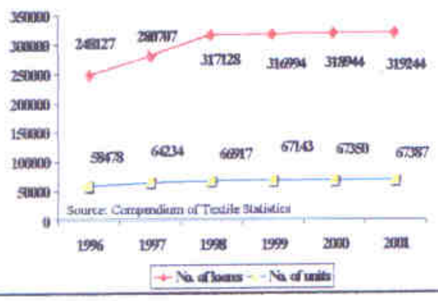
- Heavier concentration of Powerloom industry in areas around Coimbatore, Erode and Salem that account for 4/5th of loomage
- Coimbatore and surrounding areas account for one third of the looms in the sector

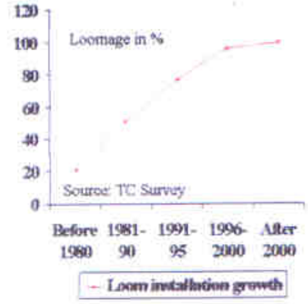
	(In lakhs)
Coimbatore	1.40(31.88%)
Erode	1.07(24.37%)
Salem	1.17(26.75%)
Karur	0.28(6.44%)
Madurai	0.23(5.21%)
Chennai	0.23(5.15%)



(c). Growth of Powerlooms

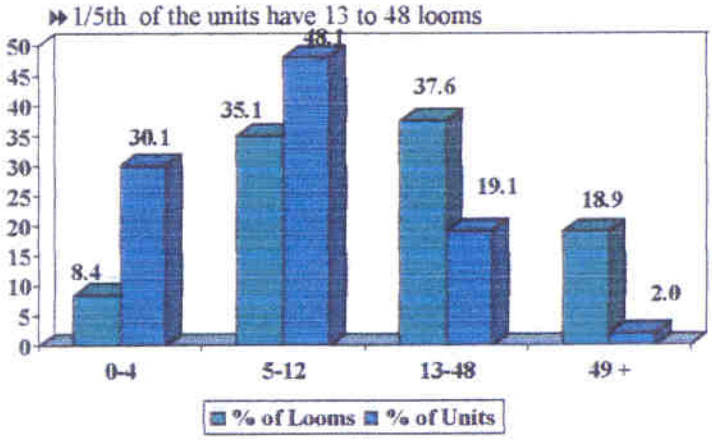
- In the year 1990 estimated looms were 2.00 lakh which has increased to a level of 4.37 lakh in 2002 (based on TC estimates)
- The period wise loom installation data shows that there was faster growth during 1990-2000





(d). Units and their Size groups

- Predominance of small sized units is observed
- More than 3/4th of the units possess upto 12 looms
- 1/5th of the units have 13 to 48 looms

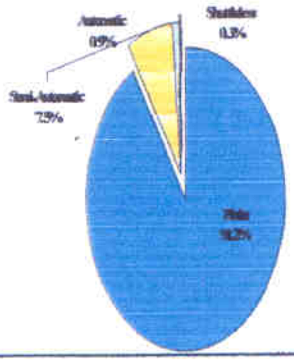


2 Pre-Weaving Machinery and Loom Technology

(a). Proportion of Different Types of Looms

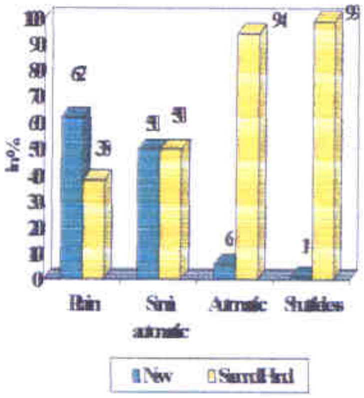
- Semi Automatic looms are predominant in Erode Cluster
- Shuttleless looms are more in Coimbatore, Madurai & Chennai Clusters

- Around 3.99 Lakh looms are found to be plain looms of low technology level
- Semi automatic and Automatic looms are about 0.37 lakh
- Shuttleless looms are over 0.01 lakh



(b). New and Second Hand Looms

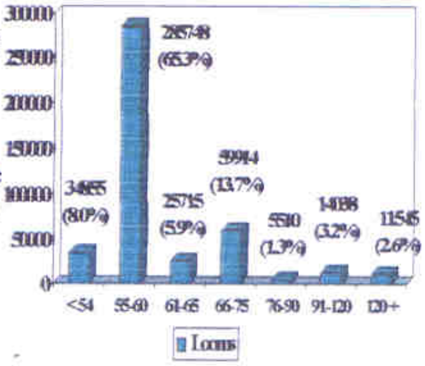
- In plain looms, 60% are new
- In semi automatic looms, 70% are new
- In automatic looms only 50% are new
- All shuttleless looms are second hand



(c). Width wise Looms

More than 2.8 lakh looms are in the width range of 55-60 inch
Wider width looms of more than 90inch are about 0.25 lakhs

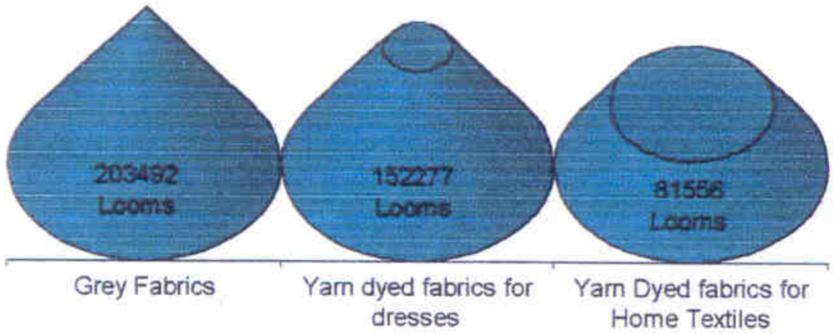
- There is a declining trend in the growth of narrow width looms
- There is marked preference for installing wider width looms having 90-120 inch width as the demand for wider width fabrics is increasing



3 Textile Products and Processes

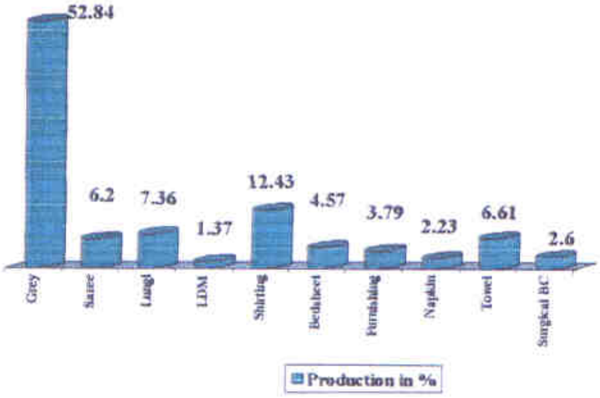
(a). Looms under different product categories

- Around 48% of the looms are engaged in grey fabric production
- The balance 52% looms produce yarn dyed fabrics for dresses and home textiles
- Almost all the looms in Coimbatore cluster produce fabric in grey form
- Yarn dyed fabrics are largely produced in Salem cluster
- In Karur cluster home textiles products are pre dominant



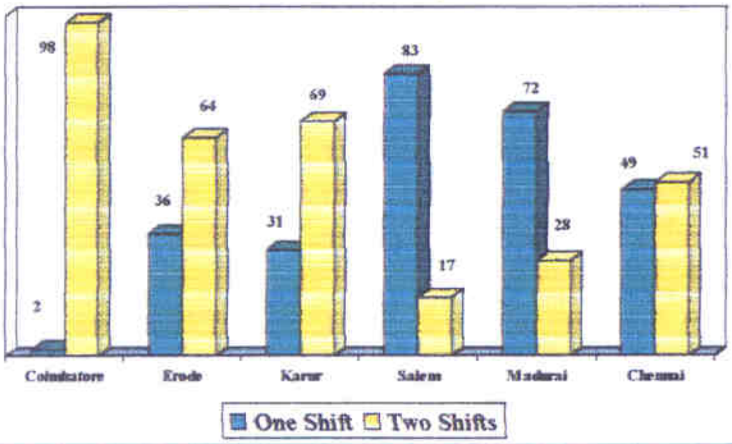
(b). Production Pattern in Powerloom Sector

- Estimated Production of textiles is 4224 mn mtrs
- Grey fabrics including bandage/ surgical is estimated at 2342 mn mtrs
- Yarn dyed dress fabrics is estimated at 1153 mn mtrs
- Yarn dyed home textile fabrics is estimated at 726 mn mtrs



(c). Shift Wise Working

- Units reporting to work only one shift per day constitute around 50 %
- The balance 50% of the units are reportedly working in two shifts
- In Coimbatore cluster, looms work in two shifts
- In Salem, Madurai cluster units mostly work in one shift



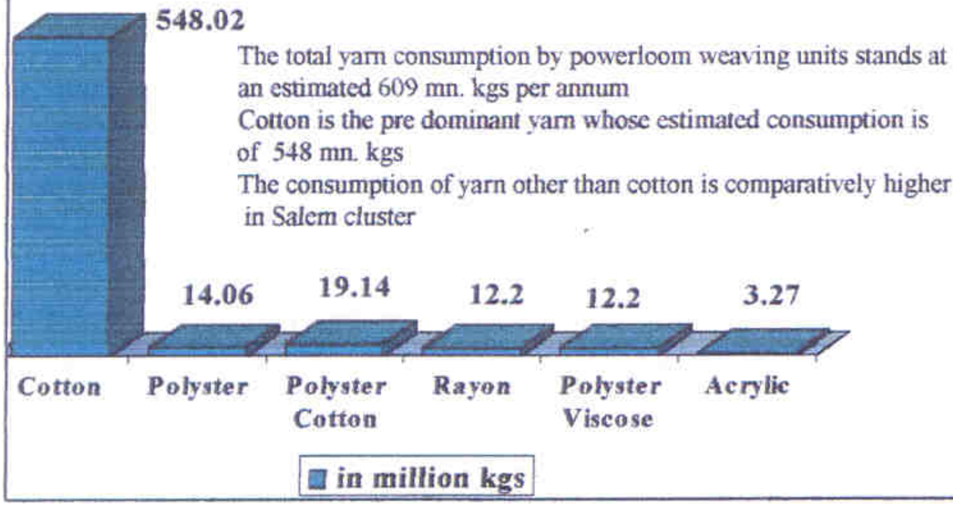
4 Raw Material (Yarn) Mix

(a). Estimated Consumption of Yarn Types

The total yarn consumption by powerloom weaving units stands at an estimated 609 mn. kgs per annum

Cotton is the pre dominant yarn whose estimated consumption is of 548 mn. kgs

The consumption of yarn other than cotton is comparatively higher in Salem cluster



(b). Count wise share of cotton yarn

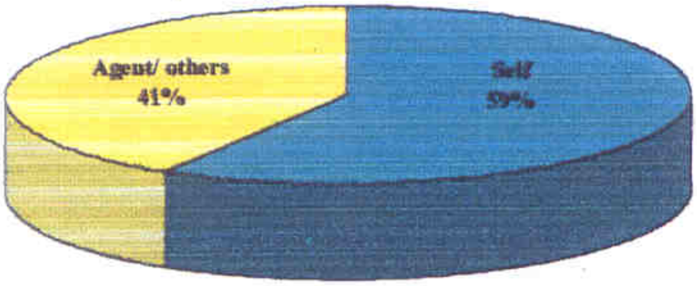
- Less than 40s account for a share of 30%
- Around 35% is of 40/42s
- Yarn counts of 60s and above account for the balance 35%

5 Marketing Channels

(a). Marketing Channels for Powerloom Products

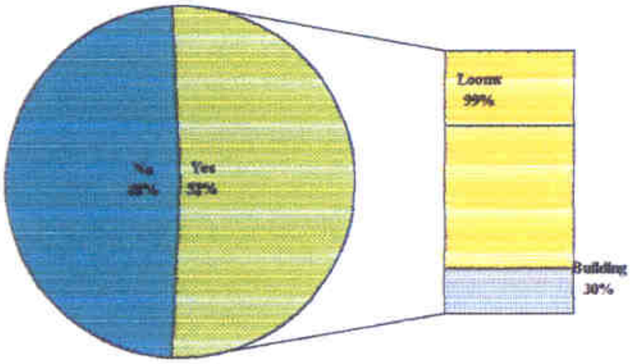
•Grey fabrics is mostly marketed to out station manufacturers/processors mainly located in places like Ahmedabad, Mumbai, Delhi etc

•Yarn dyed fabrics including home textile items are marketed in domestic and export segments

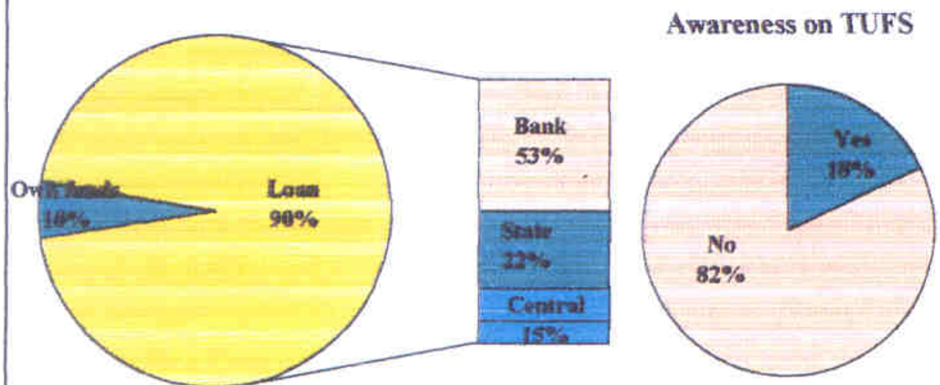


6 Awareness on Modernisation and Problems

(a). Desirous of Modernisation



(b). Source of Finance



(c). Structural factors affecting Modernisation

- Size of the Units
- Business Organisation Model
- Ownership Pattern
- Location status
- Loom Shed type & Space Availability
- Investment Capacity, etc.

(d). Prospects for the Sector

- Expanding Global Market for cotton made-ups & RMG
- Assured domestic market for home textiles
- Expanding new area of technical textiles

7 Focus Areas

- Upgradation of Plain Looms into Semi-auto
  - Warp - stop mechanism
  - Weft - stop mechanism
  - Positive let-off mechanism
- Replacement of narrow width looms
- Induction of Shuttle-less looms
- Provision of Industrial estates & marketing complexes
- Improvement in technology & facilities of forward & backward linkages
- Improvement in quality and diversified raw material base
- Expansion & consolidation of PSCs and other support services
- Consortium of Raw Material Supply (Yarn)
- Provision for uninterrupted quality Power supply
- Availability of Marketing Information at door step
- Man power training & HRD