

SAATHI: Notes for UPSC Polity

As a Government Scheme, SAATHI (Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries) is an important topic in the Polity section of the IAS exam

Background of SAATHI

The Powerloom sector in India is predominantly an unorganized sector and has a large number of micro and small units and most of them use obsolete technology. Government is implementing up-gradation of plain Power Looms as part of Power Tex India Scheme with a view to upgrading the technology.

Details about SAATHI

The Union Ministry of Power and Textiles have jointly launched an initiative called SAATHI (Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries). Under the initiative, Small and Medium Power loom units will be provided with energy efficient powerlooms, motors and rapier kits at no upfront costs by Energy Efficiency Services Limited (EESL) a Public Sector Undertaking under the Ministry of Power.

- The SAATHI (Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries) initiative will be jointly implemented pan India by EESL and the office of the textile commissioner of India.
- Key clusters such as Ichalkaranji, Surat, Erode etc have been chosen for the implementation of the initiative.
- The initiative is based on the aggregation, bulk procurement and financing model that EESL has successfully deployed in several sectors like Electric Vehicles, Smart Met Meters and LED bulbs.
- Under this initiative, the owner of the unit does not have to allocate any upfront capital cost to procure this equipment. He also does not have to allocate additional expenses for repayment. The repayments by unit owners to EESL will be made from savings that accrue as a result of higher efficiency equipment and cost savings.
- The aggregation of demand and bulk procurement will lead to a reduction in capital cost and benefits of it will be passed on to power loom units so that their repayment amount and period would reduce.

Use of this efficient equipment will result in energy savings that will, in turn, lead to cost savings to the owner of the unit. This would help the owner repay the equipment cost to EESL in instalments over a period of 4 to 5 years.

Questions related to SAATHI

What will be the benefits of SAATHI

It is believed that with the improvement of the current technology used in the textile industry, the SAATHI program will benefit the industry by an increase in demand leading to bulk procurement that will result in huge profit margins. Plus, the energy-saving methods will be cost-efficient for the textile owners, increasing the Ease of Doing Business by a huge margin.

Why was the SAATHI scheme initiated?

Most of the technology used by the textile industry in India is obsolete, leading to its stagnation as the number of micros. The medium, small and micro units (MSME'S) do not have that kind of upgraded technology without making significant investments in it. Hence, SAATHI was the government's solution to upgrade these industries at optimum costs.