

MINUTES OF THE 4th MEETING OF THE TECHNICAL ADVISORY AND MONITORING COMMITTEE (TAMC) UNDER A-TUFS HELD ON 05/07/2016 AT OFFICE OF THE TEXTILE COMMISSIONER, MUMBAI-20

The 4th meeting of the TAMC under A-TUFS was held under the Chairpersonship of Dr. Kavita Gupta, IAS, Textile Commissioner on 05/07/2016 at 11.00 AM in the Conference Hall of the Office of the Textile Commissioner, Mumbai. A list of participant is enclosed at **Annexure-I**

At the outset, the Textile Commissioner welcomed all the participants and requested Director(TUFS) to take up the Agenda for discussion. Thereafter, agenda points were taken up for discussion.

Agenda No. 1 : Confirmation of the minutes of the third meeting of TAMC held on 30.03.2016

Minutes of the Third TAMC meeting has been forwarded to all members on 07.04.2016 by the Office of the Textile Commissioner, Mumbai. So far, no comments/suggestions are received from the members of TAMC. Therefore the **minutes are taken as confirmed.**

Agenda No.2. : Progress of TUFS- Issuance of UIDs and settlement of claims

a & b Release of funds during the financial year 2016-17 and Issuance of UIDs

The progress of the TUFS in terms of release of funds during the financial year 2016-17 and issuance of UID have been discussed and taken into record. The members appreciated the efforts of the Office of the Textile Commissioner in releasing the fund and issuance of UID. The Textile Commissioner requested the banks to immediately submit the necessary certificates particularly, the No Multiple Finance Certificate, in the new format and the Asset Verification Certificate in order to further process the claims. **Further, Textile Commissioner emphasized that in interest of fairness and transparency the banks have to follow First In First Out (FIFO) system while submitting the claims to Office of the Textile Commissioner.**

c. Ratification for the inclusion of lending agencies under ATUFS :

The Committee ratified the 19 lending agencies after discussing it in the Agenda and which was included under ATUFS vide Circular no 1 (2016-17 series) dated 24.05.2016 and Circular no 2 (2016-17 series) dated 27.05.2016.

Agenda No. 3. : Segment-wise Minimum Economic Size of a unit

The Textile Commissioner stated it is necessary to decide collectively on the Minimum Economic Size (MES) of the unit in each segment of the Textile Value Chain. She said, the Minimum Economic Size would be the size which would make the unit financially viable and optimise the overhead costs so that the same are absorbed completely. She stated that while determining the minimum economic size it is necessary to determine (a)nos. of machines (b)cost/investment including that on land and building and (c) employment which will be generated in the unit.

The members stated that they would require time to deliberate on the same and would like to come back after doing their own analysis regarding the same. The bankers however, felt that the textile industry associations would be in a position to determine and work out the MES as the banks would not be able to contribute in this regard. The Committee thereby decided to constitute a Core Group consisting various textile industry associations. The bankers stated that they will agree with the decisions of the said Core Group.

The Committee thereafter constituted a **Core Group** in order to determine the Segment-wise Minimum Economic Size of a unit and its employability with the following composition:

1	Director (TUFS), Office of the Textile Commissioner	Chairperson
2	Confederation of Indian Textile Industry(CITI), New Delhi	Member
3	Synthetic & Rayon Textiles Export Promotion Council, Mumbai	Member
4	Ludhiana Knitwear Club, Ludhiana	Member
5	Textile Machinery Manufacturers Association of India (TMMAI), Mumbai	Member
6	Powerloom Development and Export Promotion Council (PDEXCIL), Mumbai	Member
7	Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai	Member
8	Apparel Export Promotion Council (AEPC),Gurgaon	Member
9	The Southern India Mills' Association(SIMA), Coimbatore	Member
10	Indian Technical Textile Association (ITTA), Mumbai	Member
11	South India Spinners' Association(SISPA) Coimbatore	Member
12	IDBI	Member
13	Union Bank of India	Member

It was decided that the Core group would submit its detailed analysis to the Textile Commissioner who thereafter will discuss with the members of the Core Group and jointly decide the minimum economic size of a unit in each segment of the textile value chain.

The TAMC delegated its power to the Textile Commissioner and the Core Group members to determine the segment-wise minimum economic size of the unit and its employment potential, and specifically stated that the decisions reached therein will be deemed to be the decision of the TAMC. The segments which are listed out to be covered are:

- (a) Weaving, Weaving Preparatory and knitting
- (b) Processing of fibres, yarns, fabrics, garments and made-ups
- (c) Technical textiles
- (d) Garment
- (e) Made-up manufacturing
- (f) Ginning & pressing
- (g) Spinning

Agenda No. 4. : Deliberation on the speed of Shuttleless looms for Powerloom sector since the inception of RR TUFS scheme:

The members have deliberated on the matter and observed that the implementation of lower speed of shuttleless looms w.e.f. 24.07.2014 (prospectively) appears to be illogical because this creates an anomalous situation since it means that lower speed shuttleless rapier loom which are purchased after 24.7.2014 are eligible under RRTUFS, while the speed eligibility for shuttleless rapier loom purchased prior to 24.7.2014 and more specifically 1.4.2012 to 24.7.2014 is higher.

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The TAMC, therefore, recommended that lower speed shuttleless loom with speed of 380 WIR also be allowed as eligible for RRTUFS benefit retrospectively i.e. since the inception of RRTUFS i.e. from 1.4.2012 upto 24.7.2014.

The TAMC recommended that the requirement of additional fund of Rs.52.19 Crore may also be submitted to the IMSC for approval.

As it is a policy decision and having financial implications, **the Committee recommended to place the matter before the IMSC for decision.**

Agenda No. 5. : Modification to Para 5.1.2 of the Guidelines of ATUFS dated 29th February 2016 and extension of timeline for submitting UID application in i-ATUFS software by another one month i.e. 12.08.2016

The present provision in Para no.5.1.2 of operational guidelines for ATUFS provides that the entrepreneur will be required to keep the term loan component of machinery at a minimum of 50% of the total project cost, to become eligible under the scheme.

However, based on the representation received and after deliberating the matter, the TAMC was of the opinion that the minimum requirement of 50% of loan should pertain to the 50% cost of the total machinery and not to 50% of the project cost. This is essential since in absence of this amendment certain entrepreneurs who may avail 100% loan on the machinery cost may still not be eligible for ATUFS benefit if the cost of items other than the machinery cost is more than 50% of the project cost. The TAMC therefore recommended that such anomaly be prevented by making the following modification in ATUFS guidelines at Para 5.1.2.

"The entrepreneur would require to keep the term loan component at a minimum of 50% of the total eligible machinery cost in the project".

The TAMC further recommended that in view of the above proposed amendment, the timeline for submitting UID application in the i-ATUFS software be increased by a period of one month i.e. the applicant may now apply upto 12.8.2016 to give them time to apply as per the modified guidelines.

The Committee was also of the view that the loan component may be reduced to 15% instead of 50% in order to facilitate the entrepreneurs in setting up their unit with their reserved/retained earnings and reduce their interest burden. The 15% loan component will take care of the proper monitoring and documentation for the assets of the unit.

Agenda No. 6. : Inclusion of additional list of machinery manufacturers/ suppliers under ATUFS.

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As given in the agenda, the Committee has approved for inclusion of the 29 machinery manufacturers in the indicative list of machinery manufacturers/suppliers under ATUFS. The list is attached at Annexure-II.

Agenda No. 7: Mechanism for allotting Machinery Identification Code (MIC) under RR – TUFS

The Committee has deliberated for allotting Machinery Identification Code (MIC) under RR-TUFS. The method for allotting MIC is given below:

- i. The MIC should be alphanumeric, consisting of 18 characters.
- ii. First two digit should represent the segment code.
- iii. Next two digits should be “specified” alphabet representing the concerned State.
- iv. Next two digits will represent the last two digits of the respective year when UID has been issued.
- v. Next four digits will be the ‘last four digits of the allotted UID number’ to the Unit.
- vi. Next 4 digits should represent the relevant guidelines Annexure number in which the machine appears.
- vii. Next four digits will be running serial number of machines.

An illustrative examples are given below,

M/s. ABC Limited, Surat, Gujarat has been allotted UID no. 2016/O/5389 for installation of 12 Rapier Shuttleless Looms under RRTUFS. If the segment code (Annexure-FR-2 of RRTUFS) for weaving is 09, the State code of Gujarat is “GJ” and Code for Rapier Loom is “MC15”, then MIC for the 12 Rapier Looms will be as follows;

1. “09-GJ-16-5389- MC15-0001”
2. “09-GJ-16-5389- MC15-0002”
3. “09-GJ-16-5389- MC15-0003”
4. “09-GJ-16-5389- MC15-0004”
5. “09-GJ-16-5389- MC15-0005”
6. “09-GJ-16-5389- MC15-0006”
7. “09-GJ-16-5389- MC15-0007”
8. “09-GJ-16-5389- MC15-0008”
9. “09-GJ-16-5389- MC15-0009”
10. “09-GJ-16-5389- MC15-0010”
11. “09-GJ-16-5389- MC15-0011”
12. “09-GJ-16-5389- MC15-0012”

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Further, the Committee requested all banks to upload the entire list of machinery with specifications under RRTUFS in the i-TUFS software against each UID in the format given in the Agenda (Annexure-III to this minute). The Chairperson requested the banks to upload the details by 31-07-2016.

Agenda No. 8: One time correction of the subsidy details within the overall committed liability in the UIDs obtained under R-TUFS (in line with RR TUFS):

The TAMC was of the opinion that during the implementation of the project due to various reasons, the disbursement schedule deferred from the schedule which was projected in the UID application. Moreover, the delivery of the imported machinery could also be delayed. Hence it was possible that the claims under a UID, against the quarter wise projected committed liability could not have been submitted. The Inter – Ministerial Steering Committee (IMSC) in its 5th meeting held on 23.3.2015 had authorised the Textile Commissioner to allow a one time correction in the UIDs obtained under RRTUFS with a condition that there would not be any increase in the overall subsidy requirement, within a period of one year from the date of IMSC decision. For the cases which are beyond one year period, the Textile Commissioner may allow such a correction for reasons to be recorded in writing which will be brought to the notice of IMSC.

The Committee has unanimously recommended to authorise the Textile Commissioner to allow a One time correction in the subsidy details within the overall committed liability in the UIDs obtained under R-TUFS (in line with RR TUFS).

The Committee further decided that the above may be placed before the IMSC for necessary decision.

Agenda No. 9: Allowing correction of mistakes of the banks in UID applications within the overall committed liabilities

Some of the banks have made errors in the UID applications while uploading them under RRTUFS. The Committee was of the opinion that there is a need to allow a one time correction in the committed liability of the UIDs obtained under RRTUFS.

After deliberating on this issue, the Committee has unanimously recommended that the Textile Commissioner should be authorised to allow a one time correction of errors of the banks in UIDs obtained under RTUFS/RRTUFS within the overall committed liabilities under R TUFS and RRTUFS.

The Committee further decided that the said recommendation may be placed before IMSC for necessary decision.

Agenda No. 10: Review of Action taken report by the banks related to cases audited by CAG

The Committee has noticed that seven lending agencies have not submitted the action taken report for the cases audited by the CAG. The Textile Commissioner informed the members that the final CAG Report has been submitted to the Secretariat Department of the Parliament and the Parliamentary Committee would review the action taken by the concerned departments against the discrepancies reported in said report. She requested the lending agencies namely Andhra Pradesh State Financial Corporation, Bank of India, Catholic Syrian Bank, Bharat Co-operative Bank, Dombivli Nagarik Sahakari Bank, Kapol Co-operative Bank, Ratnakar Bank and Surat National

Co-operative Bank to submit their action taken report on or before 15th July, 2016. The Bank of India informed the Committee that they will send their report by 8th July, 2016. IDBI and SIDBI were requested to pursue with the PLIs and make sure for submission of action taken report by their co-opted PLI by 15th July, 2016.

Agenda No. 11: Review of Action taken report by the banks related to cases audited by CCA:

The Committee has noticed that Action Taken Report from the Lending Agencies viz. AXIS Bank, Bank of Maharashtra, IDBI Bank, J&K Bank, RICCO Bank, ICICI Bank, Vijaya Bank, The Catholic Syrian Bank Ltd., South Indian Bank, Karnataka Bank Ltd., UCO Bank, Indian Overseas Bank have not submitted the Action Taken Report for the cases audited by the CCA. The Textile Commissioner requested the concerned lending agencies to expedite the compliance & submit their Action Taken Report by 15th July, 2016.

Additional Agenda:

I. Inclusion of Machineries under A TUFS

The Member Secretary has informed the Committee that the Office of the Textiles Commissioner has received representations from many industry associations / units for inclusion of certain additional machineries under ATUFS. The Committee after deliberating on the list of machineries as given in the agenda (Appendix –VI of the agenda) proposed to include four new machines under A TUFS and modify the specification of two machines under A-TUFS as given in **Annexure-IV**.

II. Status of submission of claims by lending Agencies following FIFO:

The Textile Commissioner has informed that the claims are not been submitted by the lending agencies in a First In First Out (FIFO) manner. In this regard, the Textile Commissioner urged the banks to follow a First In First Out (FIFO) system while submitting the claims to Office of the Textile Commissioner so as to ensure transparency.

III. Status of Submission of the claims of co-opted PLIs by the Nodal Agencies:

It was decided that the Office of the Textile Commissioner will return back the claims to IDBI and SIDBI which have been received without required certificates. IDBI and SIDBI are requested to coordinate with the PLIs and reconcile the details and submit the necessary certificates along with claims immediately in order to enable the Office of the Textile Commissioner to forward to Ministry of Textiles for release.

As there was no any additional agenda to discuss, the meeting ended with vote of thanks to the chair.



List of Participants attended the Meeting

Sr. No.	Name & Designation of the participants	Organisation
1.	Dr. Kavita Gupta, Textile Commissioner	Office of the Textile Commissioner
2.	Shri. S. Balaraju, Addl. Textile Commissioner	Office of the Textile Commissioner
3.	Shri S.P. Katnauria, Director	MOT
4.	Shri. S.P. Verma, Director	Office of the Textile Commissioner
5.	Shri. S.K. Singh, Deputy Director	Office of the Textile Commissioner
6.	Shri Satyam Nag, AGM	IDBI Bank
7.	Shri Arpit Singh, Assistant manager	Union Bank of India
8.	Shri Naresh Kumar	State Bank of India
9.	Shri R.K. Dalmia, Chairman,	TEXPROCIL
10.	Shri Chandrasen Singh, Secretary	Knitwear Club
11.	Shri Sahil Ramchandani, Assistant manager	IDBI Bank
12.	Shri Madhav Chandra , Chief Manager	IOB, R.O. Mumbai
13.	Shri Atul Kumar Hadole	Central bank of India
14.	Jomish Jose	Bank of Baroda
15.	Shri Milind Ambegaonkar	Bank of Baroda
16.	Shri T. Ramesh Rao, Chief Manager & N.O.	Bank of India
17.	Shri Vikas Gupta	Bank of India
18.	Shri Rohit Puri, Executive Director	PDEXCIL
19.	Shri Ashish Patil, Assistant	- Do -
20.	Dr, K. Selvaraju, Secy. General	SIMA
21.	Sr. Anup Rakshit, Executive Director	I.T.T.A.
22.	Shri K.K. Lalpuria, Executive Director	Indo Count Industries
23.	Shri N. Ravindranathan, Director	TEXPROCIL
24.	Shri Raj Mittal, Tec. Advisor	Knitwear Club (Regd)
25.	Shri Binoy Job, Secy. General	CITI
26.	Shri V.Y. Tamhane,	ISA, FAITMA
27.	Shri T.V. Bhavdas,	ISA
28.	Smt. Usha Sial, Senior Manager	Punjab National Bank
29.	Shri Pankaj Agarwal,	ITMA, Kolkata
30.	Shri. S. Easwaran,	SIDBI
31.	Shri Ved Prakash	SIDBI
32.	Shri S. Chakraborty, Advisor	TMMA
33.	Shri. A. Paramashivam, Assistant Director	Office of the Textile Commissioner
34.	Shri Shivanand F. Bechagundi Assistant Director	Office of the Textile Commissioner
35.	Shri. S. Dhanasekaran, Assistant Director	Office of the Textile Commissioner
36.	Shri. Arun Makwe, Technical Officer	Office of the Textile Commissioner
37.	Shri. Ravishankar, Technical Officer	Office of the Textile Commissioner

Indicative list of Machinery manufacturer for inclusion under ATUFS

Sr. No.	Name of the Machine Manufacturer	Name of the Machine manufactured by them
Indigenous		
1.	M/s. Rapitex Looms, Ahmedabad	Shuttleless Rapier Looms
2.	M/s. Juki India Pvt. Ltd., Bangalore	Sewing machines
3.	M/s. Xcel Stiro Pvt. Ltd., Faridabad	All types of Ironing / Finishing machines
		All types of Laundry / Washing / Cleaning machines
		Perc Dry Clean machines
		Accessories - Trolleys / Tables / Stools etc.
4.	M/s. ICC International Agencies Ltd., Mumbai(agent for textile machine manufactured abroad)	Semi-Automatic Heat Press; Automatic and Semi-Automatic Heat Press; Embossing Press; Continuous Heat Press; Turbo-JET Dryers; Turbo-JET dryers ; Folding Machine; Mug Heat Press
5.	M/s. IMASIA CAD CAM Services Pvt. Ltd. Bangalore	Pattern Making Software; Marker Making Software (NESTER); Plotters ; Digitizer; Automatic Spreading Machine; Automatic Labeling Machine; Conveyorised Spreading Table; Air Blowing Spreading Table and Automatic Cutting Machine
6.	M/s. Weavetech Engineers Ltd., Surat	1. Two for One Twister for Weaving Preparatory; 2. Two for One Twister for Thread Machine; 3. Two for One Twister for Spun fibre; 4. Cops / Roll Winding Machine; 5. Rewinding Machine; 6. Precisor Soft Package Winder Machine; 7. Precisor Hard Package Winder Machine; 8. Crep Texturise Machine; 9. Cabling Machine; 10. Cording Machine; 11. Assembly winding Machine etc. Weaving Machine : 1. Rapier Weaving Loom; 2. Water Jet Loom; 3. Air Jet Loom; 4. Dobby Machine; 5. Jaquard Machine
7.	M/s. Marvel Engineering Pvt. Ltd.	All type of Weaving machinery, Weaving preparatory machinery, Yarn Processing, Fabric Processing, Knitting & Embroidery Machinery
8.	M/s. Jeckswell Machinery Pvt. Ltd., Ahmedabad	Textile Processing Machinery - Bleaching and Dyeing Machine - Heavy Duty Dyeing Jigger with S.S Structure; Semi Automatic Jumbo Jigger (For Bleaching); Semi Automatic Maxi Jigger Machine; Fully Automatic Maxi Jigger Machine
9.	M/s. Gujtex Engineering Company	Boiler.
10.	M/s. Kailash Engineering Works, Surat	Textile Machinery
11.	M/s. Bhagwati Engineering Works, Surat	T.F.O. ; Re-winding & Winding Machine

Imported		
Sr. No.	Name of the Machine Manufacturer	Name of the Machine manufactured by them
12.	M/s. Takayama Reed Co. Ltd., Japan	Weaving reeds for airjetlooms & rapier looms, reed maintenance tools, ultrasonic reed cleaning machine.
13.	M/s. Kiji Reed Co. Ltd., Japan	Air Jet Reeds & Stainless Healds, Film Healds, Air Jet Weaving Looms and Water Jet Weaving Looms, Profile Dents.
14.	M/s. Shima Seiki Mfg. Ltd., Japan	Knitting Machine - Knitting and Braiding Machinery, Flat Knitting Machine, Glove and Sock Knitting Machine, Design System, Apparel CAD/CAM System, Inkjet Printing Machine.
15.	M/s. Anqing Hengchang Machinery Co. Ltd., Anhui, China	Zero Waste Elastic Ear Baby Diaper Machine + NBZ-60 Packing Machine; Full Width Waistband Baby Diaper Machine+ NBZ-60 Packing Machine; Classic Die Cut Baby Diaper Machine + NBZ-60 Packing Machine; Baby Training Pant Machine; Hospital Sheet Machine; Adult Diaper Machine; Adult Pull-Up Diaper Machine; Sanitary Napkin Machine; Fully Servo Control Panty Shields Machine;
16.	M/s. Nantong Hengyu Yinchun Machinery Co. Ltd., China	ZAX-N6 Air Jet - Loom; ZAX -N6 High Speed Electronic Air JET Jacquard; Single-Pump 2-Nozzle Water JET Loom; 2-Pump High-Density Ultra-Fine Heavy Water JET Loom; 2-Pump 2-Nozzle Weft Dobby Weightier Water JET Loom; Hi Speed Double Deam Weightier Water JET Loom; Weightier Water JET Jaquard Loom
17.	Shaoxing Hongjun Machinery Co. Ltd., China	High Speed circular knitting Machine
18.	Dongguan HCM Heat Printing Machine Co. Ltd., China	Continuous transfer printing machine (cylinder based) for synthetics
19.	Brother Machinery (Asia) Ltd., Hong kong	sewing machine
20.	Brother Machinery (Asia) Ltd., Vietnam	Sewing machines
21.	Quanzhou Jingmei Machine Co. Ltd., China	High speed circular knitting Machine
22.	Juki Corporation , Jaipan	Sewing machines
23.	Juki China co. Ltd.,China	Sewing machines
24.	Juki Machinery Vietnam Co. Ltd.	Sewing machines
25.	Juki Singapore Pvt Ltd.	Sewing machines
26.	Qingdao Spark Yinchun textile machinery co.ltd, China	Weaving Machine
27.	Dettin Spa	Processing machine
28.	Daelim starlet co.ltd, korea	processing machine
29.	SSM Scharer SCHWEITER METTLER AG, Switzerland	Winding machine

Annex III

FORMAT FOR SUBMISSION OF DETAILS OF INSTALLED MACHINES BY APPLICANT UNDER RR TUFs

1.	TUFs Reference Number					<i>(auto generated from system)</i>				
2.	UID No. & date					<i>(auto generated from system)</i>				
3.	Details of the Machine(s)									
	Name of Machinery Projected While obtaining UID	Numbers	Actual machinery Purchased & Installed	Actual nos.	Actual Basic cost in Rs. as per Commercial Invoice	Name of Mfr	Year of Mfr	Commercial Invoice no.	Bill of Entry in case of Imported	Country of Origin in case of Imported
	i.									
	ii									
	iii									
	iv									
v										

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Details of machines included under A TUFs

S. No.	TUFs Sr. No	Machine Description
1.	MC 4 (47)	For Garment units, Multi Head Computerised Embroidery Machine with minimum six heads, with or without Electronic Sequin / Multi Drive Computerised Embroidery Machine
2.	MC 1 B (14)	Fancy Yarn Twisters & Doublers with micro processors with or without Weft straightener with minimum speed of 8000 rpm
3.	MC 3 (2)	Polyethylene (PE) breathable film line exclusively for technical textiles
4.	MC 3 W (16)	PLC Based Printing Machine exclusively for Technical Textiles.

Modification of machine specifications under A TUFs

S. No.	TUFs Sr. No	Machine Description
1.	MC 1 A (3)	Air Jet Loom with or Without Built in Air Compressor and with (i) Weft Insertion Rate (WIR) not less than 1200 mtrs per minutes without Electronic Dobby/Electronic Jacquard (ii) Weft Insertion Rate (WIR) not less than 900 mtrs per minutes with Electronic Dobby/Electronic Jacquard
2.	MC 7 (3)	From PLC Controlled Pre-beaming having minimum speed 135 mpm and , Beaming & Sizing Machine having minimum speed of 125 mpm to PLC Controlled Pre-beaming having minimum speed 135 mpm and , Beaming & Sizing Machine having minimum speed of 25 mpm

