

Minutes of the 7th Meeting of the Technical Advisory and Monitoring Committee (TAMC) under A-TUFS held on 21.04.2017 at 12.00 Noon in the Office of the Textile Commissioner, Mumbai.

The 7th meeting of the TAMC under Amended Technology Upgradation Fund Scheme (A-TUFS) was held under the Chairpersonship of Dr. Kavita Gupta IAS, Textile Commissioner on 21.04.2017 at 12.00 Noon in the Conference Hall of the Office of the Textile Commissioner, Mumbai. The list of participants is enclosed as **Annexure – I**.

At the outset, the Textile Commissioner (TxC) welcomed all the participants. Thereafter, agenda points were taken up for discussion.

Agenda No.1: Confirmation of the minutes of the Sixth TAMC meeting held on 09.02.2017:

Minutes of the sixth TAMC meeting was forwarded to all members on 16.03.2017 by the Office of the Textile Commissioner, Mumbai (OTxC). As, no comments/suggestions are received from the members of TAMC, **the minutes of 6th TAMC circulated to all members is taken as confirmed.**

Agenda No. 2: Action taken on the decision taken by the TAMC in its meeting held on 09.02.17:

The members of the TAMC noted the action taken on the decisions taken during the previous meeting of the TAMC and follow –up action taken by OTxC. The members appreciated the efforts of the TxC in said regard.

The members also deliberated on the suggestions given in Sr. no. 2 of this agenda regarding revision of the guidelines for inclusion of Machine manufacturers under A TUFS. After detailed deliberations, the TAMC decided to include the following additional guidelines as additional requirements and criteria to be fulfilled by machine manufacturers for their enlistment under ATUFS:

- i. Valid/Renewed ISO 9000 (ISO 14000 for processing machines & ISO 18000 for energy saving machines) or equivalent Quality Certification as per list in Appendix 2I of the Foreign Trade Policy 2015-2020.
- ii. An undertaking from the machine manufacturer that in future if it will be found that they have supplied machine other than the benchmarked machinery, the list of which has been put up in the website under ATUFS and on which ATUFS can be claimed, then their enlistment under ATUFS will be cancelled.
- iii. Sales figures in domestic and international markets.
- iv. Establishment details of the textile machinery manufacturing units.

The TAMC also decided that the above parameters / guidelines will have to observed by the earlier enlisted machines manufacturers under TUFS and as a transition arrangement, 3 months compliance time was agreed upon by the TAMC, in absence of which their enlistment will be cancelled under ATUFS.

In regard to the action taken as indicated at S. No. 3 of this agenda regarding consideration of pending RR TUFS relating to the period from 01.12.2015 to 12.01.2016 under ATUFS, the TAMC was apprised that the i-TUFS software has been modified to allow exercising the option for availing the benefit of ATUFS in cases where the RR TUFS application is still waitlisted. The online procedure for the same was presented to the

members. Further, it was also informed that a circular for exercising this option will be issued shortly.

Agenda No.3: Review of Progress of TUFs

The Committee reviewed the progress of TUFs. CITI informed that the fund allocated under TUFs for this year (2017-18) i.e. Rs. 2013 Crore is very less and the TxC may request the Ministry for enhancing the fund allocation as per the estimated fund requirement. TxC informed that we should first utilise the allotted fund for this financial year and if the same is spent by June end, it would be then appropriate to request the MoT for further allocation. The industry was also requested to actively ensure the same. Thereafter, the progress of RR TUFs and ATUFs were apprised to the Committee. CITI requested to provide the number of cases received under ATUFs to analyse the slow picking of garment & made-ups package under ATUFs.

The industry representatives of CITI, SIMA, ITTA informed that in Garment project, cost of building is the major part of the total cost contributing around 50-60% of the total cost. So in order to boost Garment and made up segment in India, Ministry should consider to provide TUFs subsidy for Building cost as was being considered under earlier guidelines for previous versions of TUFs. However, the Chairperson informed that Garment units may avail the benefit for developing infrastructure under various other schemes e.g. Scheme for Integrated Textile Park (SITP), Common Facilities Centre, Mega Cluster Development Scheme etc.

Agenda No.4: Inclusion of machineries under ATUFs

The Committee deliberated on the request received from various units and details are given below:

A. Representation from M/s. Vardhaman for including M/c required for making speciality sewing threads made from Nylon/ Polyester Filaments in Technical Textile Segments for 15% CIS

Sr. No.	Name of the Machine	Remarks
I. Pre Dyeing Machine for Twisting process		
1.	CLV Machine (Cops Winder)	The Committee deliberated at length and decided to obtain opinion of an independent agency (IIT, Delhi), whether the activity/process undertaken by these machines would be considered as a part of spinning activity or a part of pre weaving activity/weaving preparatory.
2.	Compound Twisters for Filament	
	a) Heli Twisters for Filament	
	b) Ratti and RPR Twisters	
3.	High speed Precision Cone Winding Machines	
4.	High speed Precision Tube Winding Machines	
II. POST DYEING / MACHINES – FINISHING PROCESS		
1.	Bonding and Activation machine	There are two types of bonding machines are provided in the write up given by the unit i.e. One with resin application (Outer-bond) and another is melting of low melt yarn in activation machines (in-bond).

Sr. No.	Name of the Machine	Remarks
I. Pre Dyeing Machine for Twisting process		
		<p>The Committee has approved to include Out bond machines (Resin application on yarn) for bonding of sewing thread under MC-2 of ATUFS (Processing segment) if it is used for regular yarns and under MC-3 in case resin application is done on high tenacity yarns to be used for manufacturing of Technical Textiles.</p> <p>In regard to In-bond machines, the committee has decided to refer the process again to IIT, Delhi in order to have an expert opinion on whether the activity/ process undertaken by these machines would be considered as a part of spinning activity or a part of pre weaving activity/weaving preparatory.</p>
2.	Stretching machine	The committee has decided to refer these process from these machines also to IIT, Delhi in order to decide whether the activity/ process undertaken by these machines would be considered as a part of spinning activity or a part of pre weaving activity/weaving preparatory.
3.	Balling machines	

B. Representation from M/s. Welspun Flooring Limited for including in Technical Textile Segments for 15% CIS

S. No.	Description of Machines/equipment	Remarks
1.	Tufting machine	The Committee approved the inclusion of Carpet Tufting Machine under ATUFS. It was decided that if the machine is used to make technical textile products then the same would be eligible for 15% subsidy, otherwise it will be eligible for 10% subsidy under ATUFS. Accordingly this machine may be covered both in MC 1 (Weaving) and MC 3 (Technical Textiles).
2.	Heat Setting machine integrated with the Space Dyeing machine	The Committee has approved the inclusion of Space Dyeing Machine for Yarn with Heat setting Machine under MC-2 (Processing Segment) of ATUFS for 10% subsidy and if the machine is used to make technical textile products then the same would be eligible for 15% subsidy under ATUFS.

C. Representation from M/s. Helina Enterprise for including in Technical Textile Segments for 15% CIS

Sr. No.	Name of the Machine	Justification
1.	High Speed Zipper Coil Forming machine	Since the machine makes Zipper coils made of Plastic/metal, the Committee has decided not to consider this machine under ATUFS

D. Representation from M/s. Lohia Corp Limited for including in Technical Textile Segments for 15% CIS

S. No	Description of the Machines/equipment	Remarks
1	Tape Stretching Lines/ Extrusion Lines	This machine is used for extrusion of tapes and was not permitted under previous versions of TUFs for woven sacks units, hence not considered.
2	Winders	This is a part of Tape Stretching Lines/ Extrusion Lines (above Machine). Hence not considered.
3	Circular Looms	This is already covered in MC 1 A(5) as PLC based Circular Looms with Minimum 6 shuttles, Minimum tubular lay flat width of 90 cms and WIR of 600 mpm or more.
4	Extrusion Coating Machine	Coating machines are already covered at MC-2(77) (Processing Segment) as PLC controlled Coating/Embossing Machine and PLC based Coagulated PU or PVC dip coating machine / PU or PVC coating line or coating dipping / knife machine with infrared dryer are already covered in MC-3 (Technical Textiles)
5	Printing machine	PLC Based Printing Machine exclusively for Technical Textiles is already covered under MC3 (Technical Textiles) vide circular No.3 dt 13.07.2016 issued under ATUFS.
6	Conversion machine/ Bag Making Machine	Non woven Bag making Machine is covered under MC3(Technical Textiles) . Automatic Bag Making machine with a capacity of minimum 50 Bags per hour is covered at MC 7 (Jute segment)

Agenda No.5: Ratification of inclusion of new machinery manufacturers under ATUFS

The Committee has ratified the inclusion of following four Domestic machinery manufacturers under ATUFS subject to the furnishing of ISO certification and other documents prescribed by the Committee as given at Agenda No: 2 above within 3 months, in absence of which their enlistment will be cancelled under ATUFS:

Sr. No.	Name of the Machinery Manufacturer
1.	Aalidhra Texpro Engineers Pvt Ltd.
2.	M/s. Colorjet India Ltd, Unit II Noida
3.	M/s. Reckon Industries, Surat
4.	M/s. Karl Mayer India Pvt. Ltd., Ahmedabad

Agenda No.6: Extension of JIT Request from 2 years to 3 years for RRTUFS period cases allowed to apply under ATUFS

As per Para 6.4.6 of guidelines of ATUFS dated 29/2/2016 "The installation / commissioning of the machines covered under the UID shall be done within one (1) year from the date of sanction of term loan. However, the same will be extendable upto two (2) years on a case to case basis with the approval of the Textile Commissioner. The Textile Commissioner will record in writing the reasons for giving such extensions"

Further at para 6.5.2. of guidelines of ATUFS dated 29/2/2016 “In case, the applicant fails to submit application after installation of the machinery within prescribed timelines for undertaking physical verification by a JIT in prescribed format (Format – 4) using i-ATUFS software, the UID issued to the applicant will be automatically cancelled and will not be considered further for subsidy benefit under this scheme”.

In this connection, this office has received some requests/representations from units for extension of JIT request after two years from the date of loan sanction indicating therein that the term loan sanctioned by the lending agencies under RR TUFS in month of January, February and March 2015 and in accordance to the GR dated 04.10.2013 on RR TUFS, the application was supposed to be submitted by their banks within one year from the date of sanction of term loan and at that time there was no time line for conducting JIT for verification of assets. In the meantime, the Government has changed its policy, hence the applications could not be submitted by them through online system for RR TUFS for issuance of UID. However after issuance of guidelines on ATUFS dated 29.02.2016, they had applied for issuance of UID under ATUFS and accordingly UID was issued to them just before two years from the date of sanction of term loan. As the time was too short to apply for extension as well as they were not fully aware about the new procedures to be followed for claiming subsidy under ATUFS against UID issued to them, these units requested that the time line may be extended beyond the period of two years is also completed. The details are given below

The Committee recommended referring all the 17 cases as enlisted below and as given in the agenda to IMSC for Extension of further one year for JIT Request i.e. from 2 years to 3 years for RRTUFS period cases:

Sr No.	Name of the unit	Date of UID issuance	Date of completion of stipulated 2 years from the date of sanction of term loan	Reason given by the unit for delay
1.	G. C. Fabrics	30.08.2016	14.01.2017	They had issued UID. Now they have to submit Annexure IV for JIT Inspection online. But in online portal - there is no option for submitting request.
2.	Parshav .S. Knitwears	16.11.2016	21.01.2017	They had issued UID. Now they have to submit Annexure IV for JIT Inspection online. But in online portal- there is no option for submitting request.
3.	Vishnu Prasad Kashiram	21.07.2016	23.01.2017	UID received after one year of loan sanction date.
4.	Geotex Weaves India Pvt. Ltd.	16.09.2016	30.01.2017	UID received after one year of loan sanction date.
5.	Neeraj Knitwears	16.08.2016	03.02.2017	They had issued UID. Now they have to submit Annexure -IV for JIT Inspection online. But in online portal - there is no option for submitting request.
6.	S. S. Creations	16.11.2016	13.02.2017	Not able to submit submission of request for JIT inspection on online portal as & when UID was

Sr No.	Name of the unit	Date of UID issuance	Date of completion of stipulated 2 years from the date of sanction of term loan	Reason given by the unit for delay
				generated.
7.	Shiv Fabrics	04.10.2016	16.02.2017	UID received after one year of loan sanction date.
8.	Gopinathji Textiles	04.10.2016	21.02.2017	For Supplier Registration.
9.	Ganesh Textiles	16.08.2016	24.02.2017	UID received after one year of loan sanction date.
10.	Abhinandan Petro pack Pvt. Ltd	04.08.2016	01.3.2017	UID received after one year of loan sanction date.
11.	Shree Ganpati Fabrics	15.11.2016	09.03.2017	Not able to submit submission of request for JIT inspection on online portal as & when UID was generated.
12.	S.L. Textiles	16.08.2016	08.03.2017	Late allotment of UID.
13.	Pearl Global Industries Ltd.,	19.10.2016	24.3.2017	Unable to send request and System Shows our time limit has been expired for sending JIT request in ATUFS.
14.	SNG Sales and Services	16.03.2017	18.02.2017	UID allotted only on 16.03.2017.
15.	Promotional Club	26.11.2016	13.2.2017	Formats for uploading JIT were not appearing.
16.	Lodha Impex	04.10.2016	26.03.2017	Their project was ongoing at that time of UID generation. Now as they completed they wish for JIT inspection.
17.	SPA Fabrics Processor (P) Ltd	04.10.2016	02.03.2017	UID issued with 592 days delay (after the loan sanction).

Agenda No.7: Finalisation of report on evaluation of RTUFS and RRTUFS, submitted by M/s. Wazir Advisors Pvt. Ltd

The Representatives of M/s. Wazir Advisors Pvt. Ltd made presentation before the TAMC on the draft final report on evaluation of RTUFS and RRTUFS. The TAMC members were satisfied with the draft final report on evaluation of RTUFS and RRTUFS submitted by M/s. Wazir Advisors Pvt. Ltd.

Agenda No.8: Review of progress of work done by NABARD Consultancy Services Pvt. Ltd. (NABCONS), New Delhi in the Evaluation / Assessment of Committed Liabilities data submitted by lending agencies to MOT for reimbursement of subsidy under MTUFS and RTUFS

The Textile Commissioner welcomed all the participants and explained the objective of the meeting. Textile Commissioner expressed her displeasure about the progress of the work so far made and sub-contracting the work without the knowledge of this office. She further informed that the NABCONS did not submit the case-wise, account numbers to be verified by NABCONS in the Bank Branches, nor did they submit any programme or action plan even after repeated directives in regard to branch-wise visit schedule of their officers

with their contact details as well account-wise & lending agencies branch-wise details of the documents required for verification by their team. Further, she informed that subcontracting has diluted the credibility of the work and NABCONS has to provide clarification for the same. She also stated that the persons engaged by NABCONS do not have knowledge of TUFs and its scope of work due to which they are not able to carry out evaluation of the TUFs accounts.

Shri Ladia suggested that associations like CITI, SIMA, NITMA etc. may be engaged for assisting them only in understanding the scheme and papers involved. However, the Textile Commissioner, the Chairperson of TAMC said that they cannot be involved since the Evaluation is a 3rd party Evaluation.

Shri Naresh Gupta CEO, NABCONS highlighted the possible reasons for the delay and improper implementation of work. Shri Gupta stated that due to year ending audits and grey areas in their instructions to the Banks, the work has been affected badly. Moreover, the complexities involved in the work could not be perceived at the time of the beginning of the work. Shri Gupta stated that it is not a normal type of assignment and he would now ensure that the Evaluation is now done properly.

The Textile Commissioner reiterated that this is the last chance for the industry to reconcile and get their subsidies. The Textile Commissioner also expressed about the inadequate knowledge of the people engaged by NABCONS and stated that NABCONS has to prepare and submit a roadmap for one month to complete the work. Textile Commissioner instructed that a meeting of NABCONS with the Industry Associations and banks (highlighted by NABCONS regarding coordination with branches) may be held on 22.04.2017 at 10.00 AM, at Cabin of the Additional Textile Commissioner, Office of the Textile Commissioner, Mumbai and discuss the roadmap and issues for completion of the work within a month. The Textile Commissioner clarified that the provision of penal provision as per the agreement signed on 09.01.2017, continues to remain applied for the period of delay in completion of the work and submission of report.

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

List of Participants of the 7th TAMC meeting held on 21.04.2017

Sr. No.	Name & Designation of the participants	Organization
Committee Members		
1.	Dr. Kavita Gupta, Textile Commissioner & Chairperson	Office of the Textile Commissioner
2.	Shri.S.P.Verma, Joint Textile Commissioner	Office of the Textile Commissioner
3.	Shri V. K. Ladia, CITI TUF Committee Chairman	CITI
4.	Dr. K. Selvaraju	SIMA
5.	Shri S. K. Chandra ,Chairman (T.D.D)	Indian Jute Mills Association (IJMA)
6.	Srikala Shivraman , Asstt. Manager	AEPC
7.	Shri K. Rangarajan, President	SISPA
8.	Shri Anup Rakshit , ED	ITTA
9.	Shri T. Ramesh Rao, Nodal Officer, TUFS Cell, H.O.	Bank of India
10.	Shri Arpit Singh, Asstt. Manager	Union Bank of India
11.	Shri Rushabh Mehta	ITTA
12.	Shri S. Chakraborty , Advisor	TMMA (I)
13.	Shri Sachin Kumar	TMMA (I)
14.	Shri Atulkumar Hadole, Sr. Manager (TO)	Central Bank of India
15.	Shri Milind Aurangabadkar, AGM	Bank of Baroda
16.	Shri Rahul Khaparde	Bank of Baroda
17.	Shri Naresh Kumar , Chief Manager	State Bank of India
18.	Shri Subroto Mondal, DGM	IDBI Bank
19.	Shri Rajeev Ranjan	IDBI Bank
Invitees		
20.	Shri R. V. Subra Mani, Deputy Secretary, IFW	Ministry of Textiles
21.	Shri.Ajay Pandit, Director	Office of the Textile Commissioner
22.	Shri.S.K.Singh, Deputy Director	Office of the Textile Commissioner
23.	Shri Sanjay Arora	Wazir Advisors
24.	Shri B. Prakash	Wazir Advisors
25.	Shri Amaresh Dey	NABCONS
26.	Shri S. Tripathy	NABCONS
27.	Shri.A.Paramasivan, Assistant Director	Office of the Textile Commissioner
28.	Shri.Sivanand Bachagundi Assistant Director	Office of the Textile Commissioner
29.	Shri.S.Dhanasekaran, Assistant Director	Office of the Textile Commissioner
30.	Shri. Santosh Pakhre, Assistant Director	Office of the Textile Commissioner
31.	Smt.R.Revathi, Technical Officer	Office of the Textile Commissioner
32.	Shri.G.S.Sivakumar, Technical Officer	Office of the Textile Commissioner