

**Minutes of the 4th meeting of
the Technical Advisory –Cum - Monitoring Committee (TAMC) of
Revised Restructured TUFS(RRTUFS) held on 21st January, 2015**

The 4th meeting of the TAMC under Revised Restructured TUFS has been convened on 21st January, 2015 at 03.00 pm, in the Conference Hall of the Office of the Textile Commissioner, Mumbai. The list of participants is at Annex-I.

The Textile Commissioner, & Chairperson welcomed the members of the TAMC. Thereafter, at the behest of the Chairperson, the Addl. Textile Commissioner & Member Secretary placed the agenda points for discussion before the Committee. The points discussed and the decisions taken are as follows:

Agenda No.1. : Action taken report on the decisions of the 3rd meeting of TAMC under RRTUFS held on 19.6.2014.

The Member Secretary appraised the TAMC about the action taken on the decisions taken by the TAMC in its 3rd meeting held on 19 /06/2014. Since no comments on the minutes of the 3rd meeting was received, the minutes was taken as confirmed

Agenda No.2. : Progress of release of subsidy and utilisation of fund.

The Member-Secretary informed the members about the progress of release of subsidy under MTUFS , RTUFS and RRTUFS made upto June 2014 quarters for the cases processed through lending agencies/banks. Further he also informed that the claims for quarter Sept, 2014 is under process and will be sent to Ministry of Textiles after receipt of the proper certificates from the concerned lending agencies.

Thereafter he also briefed about the cases of 15%/ 20%/30% Margin Money Subsidy cases routed through the Office of the Textile Commissioner, processed by Powerloom Development Cell of the Office of the Textile Commissioner,

While informing about the progress of RRTUFS, Member-Secretary informed that subsidy cap under 'Other' category was already exhausted and till 13.01.2015, 1605 cases have been uploaded by various lending agencies/ implementing agencies through online system for RR-TUFS for issuance of UIDs for which there is requirement of additional fund of Rs. 759.93 crore for the 12th plan period. Further, it was also informed that for immediate relief in this regard, Ministry of Textiles (MoT) has already been requested for transferring Rs. 300/- cr allocated for Hire-Purchase Scheme for Powerlooms under RR- TUFS as no proposals have been received till date. It was also

informed that with the present trend of uploaded data by the lending agencies an estimated requirement of additional amount of Rs. 2308 crore would be required for the 12th plan period for issuance of new sanctions (UIDs) under RRTUFS, so that scheme may be effectively implemented during entire period of 12th plan.

In this regards, members requested that the Textile Commissioner may appraise this position to Ministry so that industry may invest further confidently in technology upgradation. Textile Commissioner has informed the members that she has already appraised ministry about it and sent draft EFC proposal to Ministry for enhancing plan allocation under TUFS so that scheme may be continued during entire period of 12th plan effectively, which inturn will also help to achieve vision of Hon'ble PM in regard to the "Make in India" programme.

Looking to the meagre availability of fund for the remaining period of the financial year 2014-15, the members expressed their concerns and stated that cut on every year expenditures is being implemented by the Government which is causing difficulty to the industry to function smoothly and requested the chairperson and the Textile Commissioner for immediate taking up matter with the Ministry for allocation of additional fund so that the claims pertaining to the quarter ended on September, 2014 and December, 2014 may be settled during this year itself. It was also requested by the industry representatives that Department of Expenditures, Ministry of Finance may be requested through Ministry of Textiles to carry forward the un-utilised amounts of previous years. The Chairperson informed that she has already requested ministry for allocation of addition fund of approximately 1300/- crore for the present financial year and Ministry is also vigorously persuading with Ministry of Finance for the same.

The Chairperson expressed her concerns in regard to abnormal delay being made by the lending agencies in submission of required 'Assets Verification Certificates' and 'No Multiple Finance Certificates' within the stipulated time frame due to which collating the claims for onward submission to ministry is being delayed. She requested the lending agencies to speed up the process of submitting the claims along with required certificates as per the new guidelines issued by MoT and they should also show the progress in this regard in their respective web-site for information to the entrepreneurs concerned.

The chairperson also expressed her concerns in regard to submission of claims pertaining to MTUFS and RTUFS cases by the lending agencies for a quarter less than the committed liabilities. In this regard, it was submitted by the bank that in UID cases, the project has been modified either due to delay in

receiving the machinery or change in its cost. In this regard, it was decided that in case of requirement of less fund for a particular case in comparison to the committed liability, such cases should be reported by the lending agencies to TxC office for modification so that the fund may be utilised for other purpose.

Agenda No. 3 : Discussion on eligibility of ongoing TUFs case on 'lease out of plant to other company'

Punjab National Bank has sought clarification on the eligibility under TUFs where in the company is availing term loan facilities and also getting subsidy benefit under RTUFs has leased out its entire plant to other company and the company is not utilizing the plant for its own production now.

The Committee deliberated on the matter and recommended that only in the case of operative lease, TUFs subsidy benefits may be permitted and in the case of Financial lease TUFs subsidy benefits should not be granted as in case of operative lease, the plant & machinery is being given on rental lease only and ownership of the same rest with the original owner who has invested in benchmarked technology under TUFs.

Agenda No.4 : Discussion regarding eligibility of ongoing TUFs case on amalgamation of company.

The Committee deliberated on the matter of eligibility of ongoing TUFs case in case of subsequent amalgamation of company. The case under consideration was regarding acquisition of M/s. Trident Corporation Ltd. ongoing concern basis by M/s. Trident Ltd. on amalgamation. This case would have been eligible under erstwhile TUFs and modified TUFs. Similarly was the case of M/s. Colors Textiles and M/s. Lotus Integrated Texpark Ltd.

After deliberating on the issue the Committee viewed that under RRTUFs since it is mandatory to have an UID for being eligible to apply for subsidy, in such cases of take over there will be a change in the UID number and may also result in providing of subsidy to an entity other than the one to whom UID has not been issued. There is a change in UID and it becomes a new entity. At present the TUFs guidelines do not have the provision of new UID being substituted. Thus, the Committee decided that further Legal Advice/ opinion of Law Ministry on the matter may be sought.

Agenda No. 5 : Discussion on Delayed cases in submission of UIDs application through online system for RRTUFS.

The Member Secretary has informed the progress made in regard to the 71 left-out cases in which case IMSC in its last meeting held on 4th September 2014 has authorised the Textile Commissioner to consider the cases on merit. After reviewing said 71 cases only 9 cases through bank route and 24 cases through MMS route were allowed for consideration under TUFS subject to the availability of fund for issuance of UID(s).

The Member Secretary further informed that TxC office has received representations from various lending agencies for condoning the delay (more than a year) made by them in uploading the data of the cases sanctioned by them during RR-TUFS period. The industry representatives were of the view that due to mistake committed by the concerned lending agencies, the entrepreneur concerned should not be deprived the benefits of the scheme hence IMSC may be requested to authorise Textile Commissioner to decide such micro level issue and allowing them case to case basis after condoning the delay for the cases falling under ongoing RR-TUFS scheme.

The Committee deliberated on the matter and decided to recommend IMSC to authorise the Textile Commissioner to decide such micro level issue and allowing them case to case basis after condoning the delay for the cases falling under ongoing RR-TUFS scheme.

Agenda No. 6 : One-Time Correction of the Subsidy details in the UIDs obtained under RR-TUFS.

The Committee deliberated on the issues raised by some of the lending agencies to the Office of Textile Commissioner for allowing them to revise the subsidy value which were indicated by them in the UID data initially since at the time of uploading the data for obtaining UID under RR-TUFS they have committed mistake in calculation of the subsidy requirement. The Committee decided to take up the issue with the IMSC.

Further, with regard to the representation for waiver of the condition of obtaining the counter signature of the Department of Financial Services, Ministry of Finance as mentioned in Para V 1. (x) of the GR dated 04.10.2013 of RR-TUFS , the Committee felt that the clause has been incorporated in the GR as a measure to safeguard against gross mistakes while furnishing the details in the UID applications by the lending agencies. Further, since some of the lending agencies have also stated to have represented to the Ministry of

Finance on this issue, the Committee viewed that the decision of the Department of Finance Services in this regard when made known may be endorsed by TAMC.

However, it was viewed by the members that the Department of Finance Services, Ministry of Finance may not countersign on the certificate of the concerned lending agency hence IMSC may be requested to allow to consider such cases for onetime correction on the basis of request/ certification issued by the CMD of the concerned lending agency.

Agenda No.7 : Progress of development of comprehensive software for management of

The Chairperson briefed the Committee about the development made in this regard.

Agenda No. 8 : Progress in respect of appointing an agency for -

- i. Evaluation / Assessment of Committed Liabilities data submitted by lending agencies to MOT for reimbursement of subsidy under MTUFS and RTUFS and
- ii. Evaluation, examination and audit of the data of left out cases of MTUFS and RTUFS and black-out period cases so submitted by the lending agencies through on-line system to the Office of the Textile Commissioner, Mumbai

The Committee was informed that the process has been initiated to call the EOIs from reputed agencies and advertisement in this regard has been published in Economic Times news paper on 14-01-2015.

Agenda No. 9 : Progress in respect of appointing an agency for Evaluation of RTUFS and RRTUFS:

The Chairperson informed the Committee that a Mid-term evaluation of the scheme through an independent agency is required as per approval given by the CCEA at the time of approving RRTUFS for the 12th plan period. Accordingly, Expressions of Interest have been called from the agencies like IIM and an advertisement to this effect has been published on 14-01-2014 in the Economic Times news paper. Further the Chairperson also requested all concerned to extend their co-operation to the agency to be selected and provide necessary inputs .

Agenda No.10 : Any other issue with the permission of the Chairperson.

With the permission of the Chair, the following supplementary Agenda points were also deliberated upon.

(i) To include Standalone Dobby & Jacquard for 30%MMS-RRTUFS:

The Committee deliberated on the issue and decided to recommend to IMSC to consider to include Standalone Dobby & Jacquard for 30%MMS -under RRTUFS.

(ii) Implementation of relaxed WIR i.e 380 MPM for Rapier Shuttleless Looms under 30%MMS-RRTUFS since inception of RR-TUFS.

The Committee deliberated on the issue regarding the representations from Powerloom Associations to consider the Rapier Looms with WIR 380 MPM under 30% MMS- RRTUFS from 01/04/2013 i.e. from the date of implementation of 30% MMS -RR-TUFS for decentralised Sector. The TAMC in its 3rd meeting held on 19/06/2014, decided to reduce the WIR from 650 MPM to 380 MPM for Rapier Shuttleless Looms for Powerloom sector. The said decision of TAMC was circulated vide Circular No.1 (2014-15 Series) dated 24/07/2014. The Committee felt that the financial implication needs to be worked out first before recommending the same to IMSC. (Action PDC O/o TXC).

(iii) Representation for 10% capital subsidy plus 5% interest reimbursement under TUFS for ring spinning machines suitable for Denim Industry

The Committee deliberated on the representation of Denim Manufacturers Association for consideration of 10% capital subsidy in addition to 5% interest reimbursement under TUFS for ring spinning machines to be installed under Denim manufacturing projects only. The Committee decided that in order to encourage manufacturing of denim based products, which are also export oriented, the same be recommended to IMSC for consideration.

(iv) Registration with the Office of the Textile Commissioner for availing 10% capital subsidy by technical textile under RRTUFS .

The Committee discussed and deliberated for doing away with the condition of Registration with the Office of the Textile Commissioner. The Committee decided to recommend the same to IMSC.

(v) Any other issues

Further, last the Chairperson has informed that all the grievances under RRTUFS will be heard in person for speedy disposal of the grievances of the industry/banks on every Thursday, at 3:00 PM in the conference hall of the Office of the Textile Commissioner, Mumbai in which the concerned banks and the applicants will be called for. The members welcomed the said decision and requested to issue circular to this effect.

The meeting was ended with Vote of Thanks to Chair.

List of Participants

4th Meeting of Technical Advisory-cum-Monitoring Committee (TAMC) for RRTUFS

Date ; 21st January 2015

Venue: O/o Textile Commissioner, Mumbai

S No	Name and designation	Office/ Organisation	
1	Smt. Kiran Soni Gupta	Textile Commissioner	Chairperson
2	Shri. S. Balaraju,	Addl. Textile Commissioner O/o Textile Commissioner	
3	Shri.O.M.Prabhakaran	Joint Textile Commissioner O/o Textile Commissioner	Member- Secretary
4	Shri. S.P.Katnauria	Director, Ministry of Textiles	
5	Shri. B.B. Bharati	Joint Textile Commissioner (T) O/o Textile Commissioner	
6	Shri. S.P.Verma	Director, Office of Textile Commissioner	
7	Shri. V.K.Ladia	Confederation of Indian Textile Industry (CITI)	Member
8	Shri. M L Jhunjhunwala,	Vice President , Indian Spinners Association	Member
9	Shri. K Rangarajan,	Vice President, SISPA, Coimbatore	Member
10	Shri. S. Chakraborty,	Secretary General TMMA, Mumbai	Member
11	D K Nair, SG	CITI	
12	Shri. Hriday Narayan	PDEXCIL, Ex. Director.	Member
13	N.T Rao, Secretary General	FIASWI	Member
14	V.Y.Tamane	India Spinners Association	
15	Dr. M. Talukdar	ITTA	Member
16	T.V.Bhavadas	ITTA	
17	Shri Ashwini K Sharma, DGM	Bank of Baroda	Member
18	Shri. Anil Panicker, DGM	IDBI Bank Ltd	Member
19	Shri. Dilip Kumar Satapathy, Chief. Manager	Indian Bank	Member
20	Shri. S.S.Loke, Chief Manager	Central Bank of India	Member
21	Shri. Ajit Kadam , Chief Manager	SBI	Member

22	Shri. Shikha Saurabh	EXIM Bank	Member
23	Shri. Nimesh Waghela, Manager	ICICI Bank Ltd	Member
24	Shri. N.D.Joshi	Bank of India	Member
25	Shri. Sandeep Kashyap	Union Bank of India	Member
26	Shri. Soumitra Sanda , Asstt. Manager	Andhra Bank	Member
27	Shri. A.K.Munjal, Chief Manager	Indian Overseas Bank	Member
28	Shri. Jomish Jose – Manager	Bank of Baroda	Member
29	Shri. R.K.Jha	Bank of India	