

The Sixth meeting of the Technical Advisory-Cum-Monitoring Committee (TAMC) under Amended Technology Upgradation Fund Scheme (ATUFS) was held on 9th February 2017 at Mumbai under the Chairpersonship of Dr Kavita Gupta, Textile Commissioner. Among others, the meeting was attended by Mr.V.K.Ladia, Chairman, CITI TUF Sub-Committee and Dr K Selvaraju, Secretary General, SIMA and Member, CITI TUF Sub-Committee.

The highlights of the meeting are as follows:-

1.	NABCON has commenced study of validation/ reconciliation data of M-TUFS (list I & II left out cases) and RTUFS on 9th January 2017 and they are likely to complete the same by mid-March and submit the report by the end of March 2017. The report will be placed before Inter-Ministerial Steering Committee (IMSC) for consideration and seeking necessary fund allocation. Certain banks like Bank of Baroda, Allahabad Bank, Andhra Pradesh, Union Bank of India, etc., are delaying the production of relevant records for verification especially for the loans already closed. Since this is the last chance, the concerned textile units are advised to have close follow-up with their banks and ensure property validation.
2.	CITI and SIMA insisted completion of the study on a fast track basis and TAMC accordingly directed NABCON to complete the study with more manpower.
3.	Regarding eligibility of Limited Liability Partnership (LLP) units under ATUFS, after detailed deliberations, it was decided to send a note from the financial institutions and also the Office of the Textile Commissioner giving sufficient safeguards / thresholds and suggest considering such firms under ATUFS.
4.	With regard to minimum term loan component of 50% to avail ATUFS benefits, CITI and SIMA had already insisted to reduce the loan to 25%. Based on the representations received from MSME segments located in Gujarat, after detailed deliberations, it was decided to recommend considering 100% self-financing for MSME units with sufficient safeguards and also reducing of loan component to 25% for other cases.

Progress of TUFS as on 6th February 2017:

1.	Originally a fund of Rs.2,830 crores was sanctioned for the year 2016-17 (Rs.1,480 crores under budget allocation of Rs.1,350 crores additional allocation) and Ministry of Textiles had incurred an extent of Rs.2,622 crores. However, later the allocation was reduced to Rs.2,610 crores, thus making a shortfall of Rs.220 crores in the allocation. Therefore, the pending subsidies for the quarter ending September 2016 and for the quarter ending December 2016 will be released only after getting additional fund allocation. The estimated remaining claims for the year 2016-17 is Rs.1,091 crores while the banks have submitted claims for around Rs.520 crores and therefore, additional claim is estimated as Rs.470 crores.
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Issuance of UIDs for RRTUFS pending cases:

1.	Out of 7,533 applications received up to 12th January 2016 amounting to Rs.4,979 crores subsidy, 6,173 applications were allotted UIDs with an estimated subsidy amount of Rs.3,924 crores. Hence, 1,360 applications are pending amounting to Rs.1,055 crores in which Rs.41 crores is kept
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	for standalone spinning cases. Rs.1,014 crores additional fund would be required to clear all the pending applications under RRTUFS.
2.	CITI and SIMA made several representations and met the Hon'ble Union Textile Minister and the officials of Ministry of Textiles requesting to get additional fund to clear the applications both in the IMSC meeting held on 5th October 2016 and also in the later dates. This was discussed in length in the TAMC as directed by IMSC and it was decided to recommend to IMSC to convert the applications under ATUF scheme as the Ministry fears that it might be very difficult to get the additional allocation and might take another one year to complete the formalities and get the allocation. As certain mills are under panic, CITI and SIMA agreed to this proposal. It was also mentioned to TAMC that it would be very difficult to match the conditions spelled under ATUFS and several mills have already made investments hoping that they would get benefit under RRTUFS. Several machines including spinning would become ineligible and in addition, there will be a substantial loss to the mills as they would not get interest subsidy and also additional 5% capital subsidy under ATUFS. However, the garmenting and made-up units would be benefited under ATUFS as the capital subsidy under the special package has been increased to 25%.
3.	CITI and SIMA strongly recommended to pool the fund allocation and clear the subsidies instead of clearing subsidies under different segments thus avoid creating shortage of funds and surrendering of surplus funds. TAMC also noted that the response for ATUFS even with the enhanced capital subsidy of 10% for garmenting and made-ups is not encouraging. CITI and SIMA stated the reasons for the poor response as the industry has been facing crisis due to glut in the global and domestic markets caused due to various external factors.

Inclusion of machinery under ATUFS

Most of the machines requested by the mills / industry Associations are already under different lists of ATUFS. The industry Associations and mills invariably send the brochure and the technical details in the last minute and therefore, TAMC is not able to consider such proposals due to time constraints. Therefore, it was decided that any such requests received 15 days before the meeting would only be circulated amongst the members and considered at the meeting. Therefore, the industry Associations and textile units are advised to take care. In addition, it is also suggested that the industry Associations or the concerned textile units can approach the TUF Cell of SIMA or any other Associations or Office of the TxC before sending such proposals.

TAMC discussed about the requests received from the machinery manufacturers for revision of guidelines as the manufacturers of the machines and relaxing the Embassy / Consulate General Certificate. Considering the bogus manufacturers and suppliers, it was decided to continue the existing guidelines without any change.