

Minutes of the 8th Meeting of the Technical Advisory and Monitoring Committee (TAMC) under A-TUFS held on 11.07.2017 at 12.30 p.m in the Office of the Textile Commissioner, Mumbai.

The 8th meeting of the TAMC under Amended Technology Upgradation Fund Scheme (ATUFS) was held under the Chairpersonship of Dr. Kavita Gupta IAS, Textile Commissioner on 11.07.2017 at 12.30 p.m. 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 welcomed all the participants. Thereafter, agenda points were taken up for discussion.

Agenda No.1: Confirmation of the minutes of the 7th TAMC meeting held on 21.04.2017:

The Committee unanimously confirmed the minutes of 7th TAMC circulated to all members on 26.04.2017. except the following points in which further discussions were held:

The representatives of the CITI, SIMA, ITTA and SISPA relying on the suggestions given by SIMA vide their email dated 28.04.2017 suggested that TAMC may recommend to IMSC to reconsider extending the capital subsidy for building that accounts over 60% of the project cost to attract more investments failing which the project will not be viable considering the huge interest cost if the TUFS benefit is extended only for the machines. Before ATUFS, 50% of the building construction was also being subsidised @ 5% interest re-imbursement in case of garment segment only. It was further submitted that by way of allowing subsidy under ATUFS upto 50% of the building construction cost, it will in turn boost the Special Package to Garments and Made-ups and attract further investments.

The Textile Commissioner informed that Government of India is implementing infrastructure related schemes like SITP, Mega Cluster, and Common Infrastructure Centre, which can be utilised by the Garmenting/made-ups manufacturing units. As the name of the Scheme implies Technology Upgradation Fund Scheme, the benefit can be provided to State of the art Technology machines and not to the building and infrastructure work. Further, Textile Commissioner informed that earlier such infrastructure related schemes were not there. Hence, it will not be appropriate to the Government to consider the said component under ATUFS.

In this connection, the representatives of the Industry Associations informed that the Labour cost is very high in these clusters and also industry faces shortage of labour in major textile clusters. Hence, the Garments and made-ups units now are shifting its manufacturing base to rural areas where no such infrastructure related projects have come-up. Moreover, in the discussions and seminar(s) during the Textiles India – 2017, it was emphasised that garments / made-ups industries have to be now established in the villages to provide rural employment. Further, the industry representatives stated that, the units may not prefer to change their locations due the market and other advantages of their location. In order to accommodate the new type of machines of modern technology, it is required to construct the new work-shed with modern infrastructure so that lean management of garments/ made-ups manufacturing may be done. Moreover, the cost of machinery for garments/ made-ups in a project is hardly 35% of the total project cost, hence the building cost is required to be considered under ATUFS as was being done by the Government under previous versions of the TUFS. The industry representatives further requested to take up this matter i.e. to

consider the building cost under Amended Technology Upgradation Fund Scheme with MoT/IMSC for consideration.

In view of above, it was decided that the issue may be referred to IMSC for discussion in its next meeting especially in view of the fact that these interventions make give a further momentum to the implementation of garment and made-ups package and also create additional employment in the rural areas which is also an important objective of the scheme.


With the above deliberations, the minutes of 7th TAMC circulated to all members is taken as confirmed.

Agenda No.2: Review of Progress of TUFS

The Committee reviewed the progress of TUFS. CITI expressed their thanks to the Textile Commissioner for timely releasing of the funds. The Textile Commissioner informed that the total allocated budget for the financial year 2017-18 under ATUFS should be utilised immediately, so that we may request Ministry of Textiles for additional funds during this financial year itself. Accordingly, the Textile Commissioner requested all the Banks to submit the claims by 25th July, 2017 for further necessary action by this office. The Textile Commissioner has also informed to the banks that sending late claims neutralises the positive impact of subsidy and also increase NPAs. CITI requested to provide the list of major Banks, who have not submitted the claims so that they can also follow up with them and arrange to send the claims in time. In this regard, the Textile Commissioner has informed that her office is continuously following up with the banks and has already issued OMs/ reminder letters to the concerned banks.

It was also appraised to the Committee that out of total 1,369 pending cases, only 819 cases were submitted through i-TUFS till 12-01-2016 midnight. Hence, as per GR dated 13-01-2016 and GR dated 29-02-2016, only 819 cases under RRTUFS are actually pending under RRTUFS for which the estimated subsidy requirement is Rs. 833 crore. The remaining 550 cases were submitted after 12-01-2016 midnight, hence it will be categorised as left-out under RRTUFS if they have not submitted their applications under ATUFS till 12-07-2016 as per GR dated 29-02-2016 on ATUFS. The industry associations have requested that already 7th TAMC had recommended for condoning the delay under ATUFS hence these 550 cases may also be considered by the Government for condoning delay on case to case basis.

Regarding Scheme for Production and Employment Linked Support for Garmenting/made-ups Units (SPELSGU) under ATUFS, the Textile Commissioner requested to the Industry Associations to encourage/ motivate the Garment/made-up units to avail the benefits of SPELSGU. In regard to Free Trade Agreement, the Textile Commissioner informed that the Ministry of Textiles has already taken up the issue with Ministry of Commerce and Industries for all possible interventions. The Textile Commissioner also informed that this matter has also been discussed during Textile India 2017. The Textile Commissioner also informed that the domestic market is also very vast and growing very fast, which can be explored by the Garment/made-up manufacturers



Agenda No.3: Condonation of delay in submission of application by unit for issuance of UID under ATUFS:

The Committee has recommended delay in submission of application by unit for issuance of UID under ATUFS for a total of 45 applications (**Annexure-A**) as given in the Agenda (40 nos.) and also in the supplementary Agenda (5 nos.), to IMSC for approval.

Agenda No. 4 : Condonation of delay in submission/re-submission of application by the bank/unit for issuance of UID under ATUFS.

The Committee has recommended delay in submission/re-submission of application by the bank/unit for issuance of UID under ATUFS for a total of 40 applications (**Annexure-B**) as given in the Agenda (35 nos.) and also in the supplementary Agenda (5 nos.), to IMSC for approval.

In this connection, the Textile Commissioner has informed to all banks that time-lines are already prescribed under ATUFS for the banks also and not adhering the said time lines by the banks will lead the textiles units in trouble under the saem time put the banks as defaulters to the guidelines.

Agenda No. 5: Addition of New machineries under ATUFS.

As decided in the 7th TAMC meeting, the opinion of an independent agency i.e. IIT, Delhi has been obtained for 6 machines as given in **Annexure-1** of the Agenda. The Committee has then deliberated on the opinion given by IIT, Delhi and also the activities carried out by these machines. Accordingly, it was decided by TAMC to include all the 6 machineries under Annexure MC-2 B (Weaving preparatory) of A-TUFS as given below:

S. No.	TUFS Sr. No	Machine Description
1.	MC - 1 B(15)	PLC based Servo driven Cop winder having capability to process Heavy Industrial thread of 1500 denier and having spindle speed of 5500 rpm
2.	MC - 1 B(16)	PLC based Twister for filaments/ Heavy / Industrial Sewing Thread having capability to process 1500 denier and having spindle speed of 7300 rpm
3.	MC - 1 B(17)	PLC based Precision Package Winder with online tension control having capability to process 2000 dtex and having speed of 1200 mtrs per minute
4.	MC - 1 B(18)	PLC based In- Bond machine with Thermo Regulator for industrial yarn
5.	MC - 1 B(19)	Inverted driven Stretching Machine for industrial yarn
6.	MC - 1 B(20)	PLC bases Servo driven fully automatic balling machine having spindle speed of 500 rpm

As regard to the representation received from M/s Ashima Limited, Ahmedabad for inclusion of Warp Tying machine (knotting machine) under ATUFS, the Committee observed that said machine is already incorporated at Sr. No. of the MC 1(B) under ATUFS.

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

The Committee has recommended Extension of JIT Request from 2 years to 3 years for RRTUFS period cases allowed to apply under ATUFS for a total of 63 applications

(Annexure-C) as given in the Agenda (53 nos.) and also in the supplementary Agenda (10 nos.), to IMSC for approval.

Agenda No. 7: Ratification of change made in the additional requirement specified in the 7th TAMC meeting [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] for inclusion of machinery manufacturer under ATUFS and consideration of other quality norms such as CE marking certification/equivalent in case of Europe and Countries like Japan where ISO certification is not prevalent.

Textile Commissioner informed that in the Appendix 2I of the Foreign Trade Policy 2015-2020 the certifying agencies with their offices in abroad have not been included. As such, if the ISO or equivalent quality certificate has been issued by the agency from the Appendix 2I list but with offices in foreign country the addresses of which are not included in Appendix 2I of FTP 2015-2020, then the same can be considered for enlistment under ATUFS. Further, Textile Commissioner has informed that the Quality Council of India (QCI) have included two more agencies, which may also be considered for enlistment under ATUFS.

The Committee approved for consideration of ISO certification issued by two more agencies as indicated in the authorised QMS certifying agencies in India on QCI web-site.

The Textile Commissioner informed that Ministry of Textiles as well as her office have received representations from various consulates/Embassies specially from countries in EU and Japan stating that instead of ISO certification, they have self certification of the machinery based on stringent quality standard. They have further argued that while the ISO certification is a process certification, the EC marking on machines/products is a manufacturer's declaration that the product complies with the essential requirements of the relevant European health, safety and environmental protection legislation. They have therefore submitted that EC certificate should be allowed for EU manufacturer and similar certification may be allowed for Japanese manufacturer. The industry representative also agreed that it is necessary to include CE mark as an alternative to ISO certificates.

The Committee approved for consideration of CE mark certification in case of European textile machinery manufacturers for enlistment of their names under ATUFS.

Some members of the TAMC have requested for clarifying the position in regard to obtaining the attestation from the Embassy / Consulate on the MoU signed between the parent machinery manufactures and the authorised agents in abroad.

The Textile Commissioner explained that while Embassy/Consulate should attest the credibility of the textile machine manufacturers of their country. Once the credibility of the machine manufacturer is established by virtue of said attestation, the said manufacturer may certify about his authorised agent and said authorised agent in turn can certify his agent, if any. She also explained that it is important to maintain the credibility of the line of supply of the textile machinery.



Further it was also deliberated that as per CAG observations the subsidy cannot be paid on commission, hence any commission paid during the supply of the machinery have to be indicated in the MoU/Shipping bill/Commercial invoice etc.

The committee therefore decided that attestation of Embassy/Consulate will require to establish the credibility of the textile machinery manufacturer. Once the credibility of the textile machine manufacturer is established, the subsequent supply chain will be established by way of letters/certification/MoU given the textile machinery manufacturer/their authorised agents. The Committee also decided that the commission should be indicated/derived from the MoU/Shipping bills/Commercial invoice etc.

Some members stated that while they have ISO certification, the same are not from the agencies shown in the Appendix 2I of FTP 2015-20/QMS list of QCI. Therefore they require time to obtain fresh certificate from empanelled organisations.

As a transition arrangement, 6 months compliance time was agreed upon by the TAMC in case of already enlisted machine manufactures failing which their enlistment will be cancelled under ATUFS. Since the decision was taken on 21.04.2017, further period of 3 months is available to them till 20.10.2017 upto which revalidation from authorised agencies has indicated in the Appendix 2I of FTP 2015-20/QMS list of QCI should be obtained.

In this regard, the TAMC has decided to extend the time limit till 20.10.2017

Agenda No. 8: Details of cases opted from pending cases of RR TUFS to ATUFS in i-TUFS software

The committee has been appraised about the details of cases opted from pending cases of RR-TUFS to ATUFS in i-TUFS software. It was also informed that 397 units opted for ATUFS and some cases are pertaining to those segments which are not eligible under ATUFS. The members however argued that the eligibility criteria for these units should be as per RR TUFS guidelines and for the purpose of subsidy value the norms of ATUFS be observed. Only if this is agreed, the more units will opt for ATUFS.

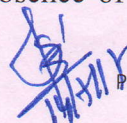
The Committee agreed that the eligibility criteria of the machines should not be changed since the machines would have already been purchased. Therefore decided to recommend this case to IMSC.

The members further requested that the Government should allocate more funds for sanction of UIDs for the pending cases under RRTUFS as the estimation of the subsidy for the pending cases under RRTUFS was considered for the cases to be submitted upto 30-11-2015 where as the RRTUFS scheme was continued till 12-01-2016 midnight.

The Committee then decided to place these details to IMSC for decision.

Agenda No. 9: Progress of inclusion of machinery manufacturer under ATUFS

The committee ratified the machinery manufacturers enlisted under ATUFS as given in the agenda. Further, Committee informed that the enlisted machinery manufacturers for which relaxation in Appendix 2I in ISO or equivalent certificate was provided, they have to submit the ISO certificate as specified at Agenda no. 7 within three months in absence of which, their enlistment will stand cancelled under ATUFS.



Agenda 10: Supplementary Agenda:

(a) GST Registration necessary instead of Central Excise Registration

The committee approved to consider GST Registration instead of Central Excise Registration for inclusion of indigenous machinery manufacturer under ATUFS.

(b) Any other point with the permission of the chair

The representative of CITI informed that the RR TUFS cased have been allowed as per para 4.6.5 of resolution of ATUFS dated 26 Feb, 2016 till 12-07-2016. They further stated as per said para of ATUFS, these cases have to be processed in accordance with the RRTUFS guidelines and only for the purpose of calculating the subsidy, the same are required to be considered in accordance with GR dated 13-01-2016 guidelines. It is also submitted by them that all the conditions of ATUFS cannot be imposed to these cases since for many of RRTUFS cases the machinery has been procured by the unit even before the announcement of the ATUFS. They requested the Textile Commissioner that the guidelines are very clear in this regard hence all the cases for which the term loan was availed on or before announcement of ATUFS, except the guidelines for considering the eligible subsidy, other parameters of RRTUFS should be observed.

The Committee discussed and decided to refer the issue to IMSC since it is a policy decision to be taken by the IMSC for approval. Therefore the Committee recommended for consideration and allowing those cases in which the term loan was availed on or before announcement of ATUFS in accordance with RRTUFS guidelines except for considering the eligible subsidy, which will be considered in accordance with ATUFS guidelines.

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. Balaraju, Additional Textile Commissioner	Office of the Textile Commissioner
3.	Shri S.P.Verma, Joint Textile Commissioner	Office of the Textile Commissioner
4.	Dr.V. K. Ladia, TUF Committee Chairman	CITI
5.	Dr. S. Sunanda	CITI
6.	Dr. K. Selvaraju	SIMA
7.	Shri. V.R. Agarwal	PDEXCIL
8.	Shri. Purushottam Vanga, Chairman	PDEXCIL
9.	Ms. Saeeda Patel	AEPC
10.	Shri K. Rangarajan, President	SISPA
11.	Shri Anup Rakshit , ED	ITTA
12.	Shri T. Ramesh Rao, Nodal Officer, TUF Cell, H.O.	Bank of India
13.	Shri. Vikas Gupta	Bank of India
14.	Shri Arpit Singh, Asstt. Manager	Union Bank of India
15.	Shri Ketan Sanghin	TMMA (I)
16.	Shri Atulkumar Hadole, Sr. Manager (TO)	Central Bank of India
17.	Shri Karan Kumar	Bank of Baroda
18.	Shri Rahul Khaparde	Bank of Baroda
19.	Shri Nilanjan Haldhar, Manager	State Bank of India
20.	Shri Sahil Ramchandani	IDBI Bank
21.	MS. Chand Kureel	SIDBI
Invitees		
22.	Shri.S.K.Singh, Deputy Director	Office of the Textile Commissioner
23.	Shri.A.Paramasivan, Assistant Director	Office of the Textile Commissioner
24.	Shri.Sivanand Bachagundi Assistant Director	Office of the Textile Commissioner
25.	Shri.S.Dhanasekaran, Assistant Director	Office of the Textile Commissioner
26.	Shi. Sourav Mukherjee , Assistant Director	Office of the Textile Commissioner
27.	Shri. Santosh Pakhre, Assistant Director	Office of the Textile Commissioner
28.	Smt.R.Revathi, Technical Officer	Office of the Textile Commissioner
29.	Shri.G.S.Sivakumar, Technical Officer	Office of the Textile Commissioner

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List of units recommended by TAMC for condonation of delay in submission of application by unit for issuance of UID under ATUFS

SI No	Name of the Unit
A. Cases where Term Loan Sanction Date after A-TUFS Regime	
1	Avery Knitwear
2	Sumitra Silk Mills Pvt. Ltd.
3	Shri Bhairav Synthetics
4	United Apparel Solutions
5	Sahasra Apparels
6	Padmavathi Garments
7	Mockingbird International
8	RBR Global Clothing Pvt. Ltd.
9	Crown Processors
10	Sweta Synthetics
11	Dev Textile
12	Angadpal Industries Pvt. Ltd.
13	Miyanbazaz Exports
14	Eagle Fashions Pvt. Ltd.
15	Pearl Global Industries Ltd.
16	Yogalakshmi Dyeing Factory
17	Sri Karunya Hosiery Clothing
18	New Raj Textiles
19	Nagabalaji Tex
20	Mangalam Polyfibers Pvt. Ltd.
21	Sitaram Metalic
22	Arvind Kumar & Co.
23	Aditri Textiles
24	Shree Jagdamba Synthetics
25	Sainath TEX
26	Cyber Textiles (india) Pvt.Ltd
27	Aditri Textiles
28	Image Printings
29	NIJ Textiles Private limited
30	Meet Textiles
31	M/s. Varniraj Fabrics
32	M/s. Guruveer Textiles Pvt.Ltd.,
B. Cases Where Term Loan Sanction Date is RR- TUFS Regime	
1	Padmavathi Enterprises
2	Sri Lakshmi Enterprises
3	Shell Apparels
4	Shell Apparels
5	Vision Ventures
6	Platinum Tradecorp Pvt. Ltd.
7	Vishva Arts
8	Ahill Fashion Textiles Inc.
9	Kamal Health Care Products Pvt. Ltd.
10	Raghunath Textile
11	Pankaj Govinprasad Lahtoi
12	M/s. Gitika Textile & Fabrics
C. 50% of total Project Cost	
1	Golden Fibres LLP.

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Annexure – B

List of units / applications recommended by TAMC for Condonation of delay in submission/re-submission of application by the bank/unit for issuance of UID under ATUFS.

Sr. No.	Name of the Unit	TUF Ref. No.
A. Delay in resubmission within one month by unit / bank		
1	Mangal Polysacks Pvt. Ltd.	ATUFS/2016-17/ 2068
2	House of Attuendo	ATUFS/2016-17/ 2731
3	Star Industries	ATUFS/2016-17/ 1130
4	Kulswamini Textiles	ATUFS/2016-17/ 2317
5	Laxmi Textiles	ATUFS/2016-17/ 2262
6	Janagal Exports Pvt. Ltd.	ATUFS/2016-17/ 1145
7	Renuka Textiles	ATUFS/2016-17/ 1871
8	Swarupa Textiles	ATUFS/2016-17/ 2134
9	Aarya Silk Mills	ATUFS/2016-17/ 2114
10	Aadya Silk Mills	ATUFS/2016-17/ 2305
11	Shree Sairam Textiles	ATUFS/2016-17/ 497
12	D'Decor Home Fabrics Pvt. Ltd / D'Decor Exports Private Ltd	ATUFS/2016-17/ 2154 & ATUFS/2016-17/ 2184
13	C. K. Rotary Prints	ATUFS/2016-17/ 2293
14	Emperor Textiles (P) Ltd.	ATUFS/2016-17/ 2325
15	High Breetd Fashion	ATUFS/2016-17/ 2873
16	Mafatlal Industries Limited	ATUFS/2016-17/ 2960
17	Revathi Textiles	ATUFS/2016-17/ 2226
18	RSPL Limited	ATUFS/2016-17/ 2844
19	Victor Textile Ltd.	ATUFS/2016-17/ 3469
20	Ronak Dyeing Limited	ATUFS/2016-17/ 3386
21	Vijaya Ganapathi Collar	ATUFS/2016-17/ 3685
22	Swadeshi Silk Mills	ATUFS/2016-17/ 3976
23	Selvanayaki Textiles	ATUFS/2016-17/ 3642
24	Navnidhi Dyeing & Printing Mills Pvt. Ltd., Surat	ATUFS/2016-17/ 2799
25	Sree Balaji International	ATUFS/2016-17/3945
26	Ganges Apparel	ATUFS/2016-17/3805
27	Shree Hanuman Silks	ATUFS/2016-17/3769
28	Lohia Metals Pvt. Ltd	ATUFS/2016-17/3219
B. Delay in submission within two months by bank		
Sr. No.	Name of the Unit	TUF Ref. No.
1	Punit Creation	ATUFS/2016-17/ 1226
2	Vaidya V & I Infrastructure Pvt. Ltd.	ATUFS/2016-17/ 3560
3	Bommsandra Unit (Mulberry Silk Mills)	ATUFS/2016-17/3683
4	Tulsi Syntex Pvt. Ltd.	ATUFS/2016-17/ 4186
5	Paras Poly Fab Pvt. Ltd.	ATUFS/2016-17/ 4003
6	Brocade India Polytex Limited	ATUFS/2016-17/ 4021
7	Bhagyalakshmi Spintex Pvt. Ltd.	ATUFS/2016-17/ 3793
8	GNC DYEING AND FINISHING MILLS	ATUFS/2016-17/ 3762
9	C.MOHAN INTERNATIONAL	ATUFS/2016-17/ 3764
10	VARNIRAJ FABRICS	ATUFS/2016-17/2564
11	Shree Ram International	ATUFS/2016-17/ 3900
12	Pawanputra Fabtex Pvt. Ltd	ATUFS/2016-17/4200

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List of units recommended by TAMC for extension of JIT request from 2 years to 3 years for RRTUFS period cases allowed to apply under ATUFS:

Sr No.	Name of the unit
1	Mehra Creations
2	Raiment Clothing Company
3	Arora Industries
4	Majestic Exports
5	New Age Knitwears
6	M. K. Aggarwal Hosiery Pvt. Ltd.
7	Mahadev Fabrics
8	Ashoka Dyeing & Finishing Mills Pvt. Ltd.
9	Neelkanth Hosiery
10	Goel Kntiwear
11	Spencer Knitwears
12	Dinesh Oswal Hosiery
13	S. Hemavathi
14	K. V. Enterprise
15	S.N.Q.S. Internationals
16	Prince Fabrics
17	New Rajpuri Hosiery
18	Navyug Enterprises
19	Davinder Sandhu Impex Pvt. Ltd.
20	K L Berry Hosiery
21	Vikas Knitwears
22	Gopi Fabrics Pvt. Ltd.
23	Rosy Knit
24	Adi Shree Udyog
25	V.M.S. TEX
26	Munish Knitwears
27	Neelam Dyeing & Printing House
28	Rishi Fabrics Ltd.
29	Janta Knitting Works
30	Anjali Knit
31	Manohar Filaments Pvt. Ltd.
32	Bhagwan Knitwears
33	B. M. T. Zip
34	Sahib Impex
35	Narang Enterprises
36	Aggarwal Yarns
37	New H. R. Malhotra Hosiery
38	Venus Hosiery Mills (P) Ltd.
39	G. H. Budhiraja Hosiery
40	Dewan Knitwear
41	Krish Fashions
42	Jain Sharman Knitwears
43	RSD Creation
44	Florida Hometex
45	R. R. Jain Industries
46	P. S. Hosiery Works

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Sr No.	Name of the unit
47	Kay Jain Processors
48	Sri Ranga Knit Zone
49	N Tex
50	Anil Laxman Rendale
51	Samarth AD Protex Pvt. Ltd
52	Promotional Club
53	Gayatri Polypack Industries
54	Prafful Industries Pvt. Ltd.
55	Hindustan Metalics
56	Subhash Polytex Ltd.
57	Turbo Tools Pvt. Ltd.
58	Sudharma Knits Pvt. Ltd.
59	Sharan Hosiery
60	Midway Apparels India (P) Ltd.
61	Khurana Blankets Pvt. Ltd.
62	V. K. Chirag Knitwear
63	Crystal Knitfab

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