

MOST IMMEDIATE

F. No.16015/1/2017-TUFS

Government of India

Ministry of Textiles

Udyog Bhawan, New Delhi,
4th April, 2018

OFFICE MEMORANDUM

Subject: Minutes of 2nd Meeting of the Inter-Ministerial Steering Committee (IMSC) under Amended Technology Up-gradation Fund Scheme (A-TUFS).

The undersigned is directed to refer to the 2nd meeting of the Inter-Ministerial Steering Committee (IMSC) under Amended Technology Up-gradation Fund Scheme (A-TUFS) held on 23rd March, 2018 under the chairpersonship of Hon'ble Minister of Textiles and to forward a copy of the minutes of the meeting for kind information.

Encl: As above



(Ishwar Sharan)

Under Secretary to the Govt. of India

To

1. Secretary, Ministry of Textiles, Vice Chairperson
2. Secretary, Department of Expenditure, Member
3. Secretary, Department of Financial Services, Member
4. Secretary, Department of Commerce, Member
5. Secretary, Department of Industrial Policy & Promotion, Member
6. Secretary, Department of Heavy Industry, Member
7. Secretary, Ministry of Micro, Small & Medium Enterprises, Member
8. Special Secretary, Ministry of Textiles
9. Deputy Governor, Reserve Bank of India, Member
10. Spl. Secretary & Financial Advisor, Ministry of Textiles, Member
11. Textile Commissioner, Ministry of Textiles, Mumbai, Member
12. Jute Commissioner, Ministry of Textiles, Kolkata, Member
13. Development Commissioner (Handlooms), New Delhi, Member
14. Adviser, (in-charge of the textiles), NITI Aayog, New Delhi, Member
15. Member Secretary, Central Silk Board, Bengaluru, Member
16. Chairman & Managing Director, IDBI, Member

17. Chairman & Managing Director, SIDBI, Member
18. Chairman & Managing Director, IFCI, Member
19. Chairman, State Bank of India, Member
20. President, Textile Machinery Manufacturers Association of India (TMMAI), Mumbai, Member
21. Chairman, Confederation of India Textile Industry (CITI), New Delhi, Member
22. Chairman, Federation of India Art Silk Weaving Industry, Surat, Member
23. Chairman, Indian Woolen Mills Federation (IWMF), Mumbai, Member
24. Chairman, Powerloom Development & Export Promotion Council (PDEXCIL), Mumbai, Member
25. Chairman, Indian Jute Mills Association (IJMA), Kolkata, Member
26. President, Clothing Manufacturers Association of India, Mumbai, Member
27. Chairman, Indian Technical Textile Association (ITTA), Mumbai, Member
28. Chairman, South India Spinners Association, Coimbatore, Member
29. Chairman, The Southern India Mills' Association, Coimbatore, Member

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**Minutes of the meeting of 2nd Inter-Ministerial Steering Committee (IMSC) under Amended
Technology Upgradation Fund Scheme (ATUFS)**

Date and time: 23rd March, 2018 at 1200 hrs
Venue: Room No. 162, Udyog Bhawan.

1. The 2nd meeting of Inter-Ministerial Steering Committee on ATUFS was held under the chairpersonship of Hon'ble Minister of Textiles. Hon'ble Minister of State for Textiles, Secretary (Textiles), Special Secretary (Textiles), Textiles Commissioner, representatives from Industry Associations, Financial Institutions and other Ministries attended the meeting. List of participants is enclosed at Annexure-I.
2. Agenda Notes discussed in the meeting are enclosed at Annexure-II
3. Following are the decisions of the Committee on each of the agenda items:

i. Agenda Item No. 1: Confirmation of the minutes of the 1st Meeting of the IMSC held on 05.10.2016.

The minutes of 1st IMSC was confirmed by the members without any modification.

ii. Agenda Item No. 2: Action taken report on the decisions taken in the 1st Meeting of the IMSC held on 05.10.2016.

The Committee was apprised of the action taken of the decisions of 1st IMSC. ATN is given at Annexure III.

iii. Agenda Item No. 3: Review of progress of TUFs

The Committee was apprised of the following progress of the scheme:

Progress under RRTUFS:

Sr No.	Description	Total cases	Subsidy Amount (in Rs. Crore)
1	Pending RR TUFs UIDs applications received till 12-01-2016 and condoned cases	7186	4733
2	UIDs issued from pending cases to till date	6333	3914.27

b. Progress under ATUFS:

Sr No.	Description	Total cases	Subsidy Amount
1	UIDs applications received at TXC level	5601	1559.86
2	UIDs issued	4600	1274.28

- c. Progress under Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU)

Segments	No. of Applications	Project Cost in Rs. Cr.	Subsidy in Rs. Cr.	New Employment
Exclusive Garmenting (15% CIS)	840	1425.61	152.74	55283
Multi activity With Garment in one segment	492	6344.39	433.35	47798
Other	4263	18590.24	973.23	53098
Grand Total	5595	26360.24	1559.32	156179

- d. Financial progress in 2017-18

S. No	Scheme	Budget Allocation	Expenditure as on 14.03.2018 Rs. in Crore
1	MTUFS	1925.42	146.64
2	RTUFS		337.96
3	RRTUFS		976.20
4	MMS cases		261.41
5	Administrative Expenses		0.86
Total		1925.42	1723.07 (For Rs. 142 Crore Claims are under process)

Industry requested to relax the norms for employment under SPELSGU from 70 jobs /per crore to 50 jobs / per crore to enable more applications under the scheme. The Committee did not approve any change in norms as it would defeat the very purpose of the scheme of incentivizing employment in the garment and Made up sectors.

The issue regarding sanction of more cases under RRTUFS and applying eligibility norms of RRTUFS for RRTUFS cases migrated to ATUFS were discussed and decisions recorded under agenda item No iv (I) below.

iv. Agenda Item No. 4: Recommendations of Technical Advisory cum Monitoring Committee (TAMC) for approval of IMSC.

A-1) Ratification of Condonation of delay of 168 applications for issuance of UID under ATUFS

The Committee unanimously ratified the decision taken by the Chairperson conveyed to the Textiles Commissioner vide OM No. 6/5/2015-TUFS dated 19.03.2018.

A -2) Relaxation in timeline for submission of UID application under ATUFS from 6 months to One year from the date of sanction of term loan

During deliberations, TxC informed the Committee that only 1.68% applications fall under this category. Remaining applications were received within the prescribed time, which proves that timeline is not an issue for a majority of the cases. Therefore, IMSC did not approve amendment in the guidelines. IMSC also did not approve the proposal for condonation of delay by TxC on a case to case basis.

B-1) Ratification of condonation of delay of 184 RRTUFS and ATUFS cases with respect to JIT request made after 2 years

The Committee unanimously ratified the decision taken by the Chairperson conveyed to the Textiles Commissioner vide OM No. 6/5/2015-TUFS dated 19.03.2018.

B-2) Relaxation in timeline for making JIT request by unit

The Chairperson observed that issued UID constitutes a commitment for the subsidy by the Government. Hence funds are blocked for the project once UID is issued. Therefore, extension in JIT application up to 2 years after issuance of UID is not in the interest of scheme.

The Committee also observed that extension beyond one year for JIT request may be permitted only in extreme circumstances which are beyond the control of the entrepreneur. Hence the Committee directed to amend Para 6.4.6 of the guidelines to the extent that extension by TxC beyond one year would be permitted based on the documentary proof of the order placed for the machinery.

C-1) Ratification of Condonation of delay of 98 cases with respect to submission/re-submission of application by the bank/unit for issuance of UID under ATUFS.

The Committee unanimously ratified the decision taken by the Chairperson conveyed to the Textiles Commissioner vide OM No. 6/5/2015-TUFS dated 19.03.2018.

C-2) Relaxation in timeline for submission/re-submission of application by the bank/unit for issuance of UID under ATUFS

TXC informed that due to shortage of staff in banks, lack of knowledge of iTUFS and TUFS guidelines at branch level etc. have resulted in breach in prescribed timelines by the banks. The Committee agreed to extend the timelines for submission of application by the lending agencies up to 4 month from the existing 2 months and resubmission of applications by the lending agencies up to 2 months from one month and advised suitable amendment in Para 6.3.2.5 to 6.3.2.9 of the scheme guidelines accordingly.

D) Ratification of Condonation of delay of 380 cases with respect to completion of JIT within 90 days under ATUFS.

TxC informed that as per current guidelines JITs are to be completed and report submitted within 90 days of receiving the JIT application. However this timeline could not be adhered to in 380 cases mainly due to units were not responding to the various queries of Regional Offices in time. Further there were common discrepancies like wrong selection of manufacturer, incomplete document and mismatch in the name of machinery in the invoice.

The Committee unanimously ratified the decision taken by the Chairperson for condoning the delay in 380 cases conveyed to the Textiles Commissioner vide OM No. 6/5/2015-TUFS dated 19.03.2018. The Committee also directed TxC to look into the JIT process to make it completely automated with no scope for queries and clarifications.

E) Post Facto approval on giving UIDs after one month (Additional Point).

TxC informed that under ATUFS UIDs to be issued within one month from the date of applications by the bank. However after announcement of ATUFS, thrust was on issuance of UID for pending RRTUFS cases. This resulted in huge queuing up of applications under ATUFS. Further scrutiny of DPRs, multiple certificates, documents for subsidy amounts etc which are obtained in PDF format took long time to examine and added to the delay. 4390 UIDs issued after the time lines.

While according post facto approval for 4390 UIDs generated after the timeline of one month, IMSC directed TxC to undertake upgradation of software to automate the process of UID generation without manual interventions.

F) Clarification on eligibility of machineries purchased from the “custom bonded warehouse” after sanction of term loan under RR-TUFS.

The Committee did not approve the proposal. It observed that the proposal would amount to retrospective change in the guidelines of RRTUFS which is not within the purview of the IMSC.

G) Eligibility of Non MSME Limited Liability Partnership (LLP) units under ATUFS

In view of the explanation given in the agenda note, IMSC agreed to amend para 4.2 of ATUFS guidelines to include LLP firms under ATUFS.

H) Extending the capital subsidy for building for Garmenting/made-ups manufacturing units under ATUFS:

TxC informed the Committee that the industry have requested to allow up to 50% of building construction cost for subsidy under ATUFS to boost investment in garmenting and made up sectors.

The Committee did not approve the proposal since Para 11 of ATUFS guidelines have not vested power to IMSC to consider proposals having financial implications. Secondly, TUFS is aimed at modernization of textiles industry through technology upgradation. Industry was advised to explore financial assistance for building infrastructure under other schemes of Ministry of Textiles such as Scheme for Integrated Textiles Park (SITP), Work-shed schemes for Powerloom sector etc.

I) Consideration of pending cases of RR TUFS under ATUFS

Committee was informed that there are a total of 1375 cases pending under RRTUFS where UID could not be issued due to limitation of budget. As per the decision in the last IMSC meeting, a window was made available to all those pending RRTUFS cases to exercise their willingness to come under ATUFS. 397 units have opted for ATUFS. TxC recommended that the UID may be issued to those 397 units under ATUFS but machinery norms of RRTUFS may be applied on them instead of ATUFS norms.

After deliberation, the Committee decided that the Textiles Commissioner would write to all those pending applicants under RRTUFS giving them one time opportunity to opt for ATUFS as there is no scope for further sanctions under RRTUFS. The one time window would be open only for one month from the date of dispatch of the letter from TxC.

The Committee, however, did not agree for any relaxation in the eligibility norms for pending RRTUFS cases. The Units would be considered under ATUFS only when they fulfill all eligibility conditions as stipulated in the scheme.

J) Procedure for enlistment of Custom bonded Warehouse and Authorized/Stockiest for stitching Machines.

The Committee observed that the scheme provides for enlisting of manufacturers and authorized agents of benchmarked machinery. The proposal was not approved as custom bonded warehouses are neither manufacturer nor authorized dealer of the benchmarked machinery.

K) Higher subsidy of 30% for Weaving machines for MSME units.

The Committee observed that under Para 11 of the guidelines, this proposal is beyond the mandate of the IMSC.

However, the Chairperson requested TxC to provide a detailed proposal to the Ministry supported with data and with proper justification to enable the Ministry to examine the issue separately.

v. Agenda Item No. 5: In reference to MoT's letter No. 06/05/2015-TUFS dated 04.10.2017 and direction thereof suggesting amendment in guidelines regarding UID issuance and return of application under ATUFS and Pending RRTUFS.

TxC proposed an amendment in Para 6.3.2.2 of ATUFS regarding process for return of application in case of discrepancy and resubmission of the application by the applicant/ lending agency.

IMSC decided to set up a Task Force under the Special Secretary (Textiles) with representatives from Industry, Financial Institutions, IT team of iTUFS and TxC to examine the process and software related issues and recommend for changes to make iTUFS as end to end online solution and eliminate scope for human interventions at all stages of implementation.

VI. Agenda Item No. 6: Status of NABCONS 3rd Party Evaluation on Release of Committed Liabilities under M-TUFS (List I & II cases) & R-TUF

TxC informed that NABCONS was not able to provide report on committed liability data on List I & II cases under MTUFS along with duly authenticated copies of term loan documents and authenticated calculation sheet. They had submitted documents of only 894 cases on 20.03.2018 however in those 894 cases also data is not supported with minimum basic documents. Representative from NABCONS countered the allegation that they submitted the draft report as per the format decided in the agreement signed by both the parties.

IMSC decided to constitute a Committee under the Secretary (Textiles) with members from the Industry, Department of Financial Services, Reserve Bank of India, Special Secretary(T) and Textiles Commissioner to look into the issues and suggest solutions in a time bound manner.

VII. Agenda Item No. 7: Incorporation of Detailed Project Report (DPR) Summary Sheet in place of DPR in the i-TUFS software

The Committee directed that the task force to be set up under the Agenda Item no. 5 above will also look into this aspect.

VIII. Agenda Item No. 8: Performance Audit of TUFS by Comptroller & Auditor General of India (CAG)- Status of Recovery

The Committee noted that CAG reported 534 cases involving an amount of Rs. 10625.15 lakhs of which recovery of only Rs. 2082.01 lakhs has been made so far. The banks were requested to refund of the objected amount to the Government expeditiously.

The Committee directed the Ministry to take up the matter with Department of Financial services for effective follow up with banks.

Meeting ended with a vote of thank to the Chair.

List of participants- (2nd IMSC meeting on 23.03.2018)

1. Smt Smriti Zubin Irani, HMOT- In chair.
2. Shri Ajay Tamta, HMOST
3. Shri Anant Kumar Singh, Secretary (Textiles).
4. Smt Pushpa Subhrahmanyam, Special Secretary (Textiles).
5. Dr. S.C. Pandey, SS & FA.
6. Shri. R. M. Mishra, Additional Secretary, M/o MSME.
7. Dr. Kavita Gupta, Textile Commissioner.
8. Smt Jaya Dubey, Joint Secretary, MoT.
9. Shri Raj Kamal, M/o Commerce and Industries.
10. Shri. R. K. Sinha, CSB.
11. Shri Purushotam K. Vanga, PDEXCIL.
12. Shri Rahul Mehta, President, CMAI.
13. Shri Mohan Sadhwani, ED, CMAI.
14. Shri J. K. Arora, CMAI.
15. Shri. Jagdish Garwal, IFCI.
16. Shri Navesh Gupta, MD, NABCON.
17. Dr. B. R. Prerni, NABCONS.
18. Shri Krishan Jindal, NABCONS.
19. Dr. Anup Rakshit, I.T.T.A.
20. Shri. Nilanjan Haldhar, Manager, SBI.
21. Shri Devdas D. Jalgaonkar, General Manager, SBI.
22. Shri Sanjay Goel, GM, SIDBI.
23. Shri K. K. Mishra, Secretary General, IWWMF
24. Shri Sachin Kumar, Secretary, TMMA (I)
25. Shri K. Rangarajan, President, SISPA.
26. Shri Munish Mohan, GM, IDBI Bank.
27. Subhakirti Majumdar, DG, Indian Jute Mills Association.
28. Shri Ashish Kumar Verma, AGM, RBI.
29. Ms. Ira Gupta, GM RBI.
30. Dr. S. Sunanda, SG CITI.
31. Shri. S. Balaraju, CITI.
32. Shri Sanjay Jaijn, CITI, Chairman.
33. Dr. V. K. Ladia, CITI.
34. Dr. K. Selvaraju, Secretary General, SIMA

Agenda items for the 2nd meeting of the IMSC on Amended Technology Upgradation Fund Scheme (ATUFS) scheduled to be held on 23.03.2018 at 12.00 Noon in Room No. 162, Ministry of Textiles, Udyog Bhawan, New Delhi.

Agenda Item No. 1: Confirmation of the minutes of the 1st Meeting of the IMSC held on 05.10.2016.

The minutes of the 1st meeting of IMSC under ATUFS were circulated vide Ministry of Textiles' letter dated 14.10.2016. As, no comment has been received, the minutes may be taken as confirmed.

Agenda Item No. 2: Action taken report on the decisions taken in the 1st Meeting of the IMSC held on 05.10.2016.

Action taken report on the decisions taken in 1st meeting of the IMSC held on 05.10.2016 is indicated in enclosed **Appendix –I.**

Agenda Item No. 3: Review of progress of TUFS:

a) Progress of issuance of UIDs under RR TUFS and ATUFS:

i. RRTUFS (pending cases)

Sr. No.	Description	Total cases	Subsidy Amount (in Rs. Crore)
1	Pending RR TUFS UIDs applications received till 12-01-2016 and condoned cases	7186	4733
2	UIDs issued from pending cases to till date	6333	3914.27

Note: For the cases submitted online after 12.01.2016 (midnight) under RRTUFS, the TAMC in its 8th meeting held on 11.07.2017 recommended for consideration under ATUFS since the delayed cases i.e. beyond 6 months from term loan sanction, have been recommended for condonation of delay. These cases may be considered in accordance to the norms of RRTUFS except for eligibility of the subsidy which may be considered in accordance to the ATUFS norms. (Refer: para 2 of agenda 2 of minutes of 8th TAMC)

ii. ATUFS (Progress as on 20.03.2018):

(Rs. in Crore)

Sr. No.	Description	Total cases	Subsidy Amount
1	UIDs applications received at TXC level	5601	1559.86
2	UIDs issued	4600	1274.28
3	UIDs returned	518	134.61
4	UIDs under scrutiny	470	149.45

iii. **Progress of SPELSGU under ATUFS (position as on 20.03.2018):**

(Rs. in Crore)

Segment Name	Since inception of ATUFS i.e. 13.01.2016 to Till 24.07.2016				From 25.07.2016 to till date (with the launch of additional incentive to Garmenting sector)				Total			
	No. of Applications	Total Project Cost in Rs. Cr.	Subsidy Amount in Rs. Cr.	New Employment	No. of Applications	Total Project Cost in Rs. Cr.	Subsidy Amount in Rs. Cr.	New Employment	No. of Applications	Total Project Cost in Rs. Cr.	Subsidy Amount in Rs. Cr.	New Employment
Exclusive Garmenting (15% CIS)	248	345.59	43.08	13977	592	1080.02	109.66	41306	840	1425.61	152.74	55283
Multi activity With Garment in one segment	112	764.63	71.01	5624	380	5579.76	362.34	42174	492	6344.39	433.35	47798
Other	1050	2502.17	186.87	11358	3213	16088.07	786.36	41740	4263	18590.24	973.23	53098
Grand Total	1410	3612.39	300.96	30959	4185	22747.85	1258.36	125220	5595	26360.24	1559.32	156179

Submitted for information to the Committee.

b) **Progress of utilization of allotted fund for the financial year 2017-18.**

S. No	Scheme	Allocation	Expenditure as on 14.03.2018 Rs. in Crore
1	MTUFS	1874	146.64
2	RTUFS		337.96
3	RRTUFS		976.20
4	MMS cases		261.41
5	Administrative Expenses		0.86
Total		1874	1723.07 (For Rs. 142 Crore Claims are under process)

Agenda Item No. 4: Recommendation of TAMC for approval of IMSC.

The Technical Advisory Monitoring Committee (TAMC) constituted under ATUFS has recommended the following for consideration and decision by the IMSC.

A 1) Ratification of Condonation of delay of 168 applications for issuance of UID under ATUFS.

Under ATUFS, the unit has to submit UID application **within 6 months from the date of sanction of loan sanction by the lending agency**. Further where term loan had been sanctioned by the lending agency (ies) under RRTUFS but the period of one year from the date of sanction of the term loan is not yet over and in those cases where the UID applications have not yet been uploaded in Textile Commissioner server using i-TUFS upto 12.01.2016 midnight, such cases will be eligible only for benefits as per the ATUF Scheme notified vide Resolution No. 6/5/2015-TUFS dated 13.01.2016. **The applicants of such eligible cases would be**

required to upload UID applications into the Textile Commissioner server using i-ATUFS software as per the prescribed format of ATUF Scheme upto 12-07-2016.

Many units could not apply within the above specified time limits and requested the Textile Commissioner for Condonation of delay in submission of application for issuance of UID under ATUFS. However, under ATUFS, no clause for condoning delay in submission of the application by applicant unit is available. As such these cases have been placed in before the TAMC. Subsequently, **TAMC in its 6th & 8th meeting held on 09.02.2017 & 11.07.2017 has recommended 29 & another 45 units for condonation, respectively.** (Refer: agenda no. 5 of minutes of 6th TAMC meeting and agenda no. 3 of minutes of 8th TAMC)

After the 8th TAMC meeting also, Office of the Textile Commissioner, has received 94 more applications for condonation till 9th TAMC meeting held on 20.12.2017. It is expected that more such applications may come in future for condonation of delay.

Subsequently Ministry has condoned the aforesaid 168 cases.

The Committee may ratify the same.

A 2) Relaxation in timeline for submission of UID application under ATUFS from 6 months to One year from the date of sanction of term loan

In the 9th TAMC meeting held on 20.12.2017, the Textile Commissioner informed that, the timeline of 6 months provided in the guidelines for submission of UID application under ATUFS by unit to the bank is adequate enough and needs no relaxation. However, Industry Representative informed that although many of the units are applying within the timeline of 6 months, it has been observed that in some cases where project proposal undergoes any changes/ revision, the unit gets delayed in submission of applications and is unable to submit the application within 6 months. Further, the Industry represented that under RTUFS and RRTUFS the timeline for submission of UID applications by units was one year. They also stated that some of the units particularly small entrepreneurs which are located in remote areas find it difficult to adhere to the timeline of 6 months.

Accordingly, TAMC recommended the following:

- i. Timeline for submission of UID application by units may be increased from six months to one year from the date of sanction of Term Loan.
- ii. Textile Commissioner may be authorised to condone genuine cases on a case to case basis, based on merit beyond the above relaxed timeline

Members are requested to deliberate and decide on the same.

B 1) Ratification of Condonation of delay of 184 RRTUFS and ATUFS cases with respect to JIT Request made after 2 years

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

Further it is to inform that in some cases, MOT vide Resolution dated 22/11/2016 provided extension of period of one month from the date of issue of the Resolution for those entrepreneurs who were not able to upload their applications due to provisions contained in the existing para 5.1.2 of guidelines on ATUFS. Accordingly, many of the RR-TUFS cases for which loan sanctioned period starts from 13-01-2015 have applied for UID under A-TUFS after their stipulated time for JIT inspection was over / about to be over. For such cases, UID itself is issued after 2 years i.e. the maximum period of two years from the date of loan sanction for applying JIT request.

In view of position stated above, extension of further period of one year for making JIT request for the cases in which loan was sanctioned under RRTUFS, however UIDs are issued under ATUFS observing the provisions of guidelines on ATUFS dated 29.02.2016 and relaxation given vide MoT Resolution dated 22.11.2016 is recommended to be provided, so that benefits of small entrepreneurs may not be deprived under ATUFS.

Many units could not apply within the above specified time limits and requested the Textile Commissioner for Condonation of delay under ATUFS. **For such cases TAMC in its 7th & 8th meeting held on 21.04.2017 & 11.07.2017 has recommended 17 & another 63 units for condonation respectively.** (Refer: agenda no. 6 of minutes of 7th TAMC and agenda no. 6 of minutes of 8th TAMC)

After the 8th TAMC meeting also, Office of the Textile Commissioner, has received 104 more applications for condonation, till 9th TAMC meeting held on 20.12.2017. It is expected that more such applications may come in future for condonation of delay.

Subsequently Ministry has condoned the aforesaid 184 cases.

The Committee may ratify the same.

B 2) Relaxation in timeline for making JIT request by unit

In the 9th TAMC meeting held on 20.12.2017, Industry representatives informed that in many cases it has been observed that industry is facing difficulty in complying with these timelines due to many issues like delay in getting shipments, extended machinery delivery schedules, delay in processing disbursement of the loans, delay in implementing the project due to market crisis and financial crunch etc. Hence, Industry representatives requested to increase the time limit suitably to accommodate such cases.

Accordingly, TAMC recommended the following:

- i. Under ATUFS guidelines, the time line be extended from 1 year (extendable to 2 years) to 2 years (extendable to 3 years), after examination of the request on a case to case basis by the Textile Commissioner.
- ii. For the RRTUFS cases allowed under ATUFS, the Textile Commissioner may be authorised to condone the delay beyond 3 years at her own level on a case to case basis based on the merits of the case.

Members are requested to deliberate and decide on the same.

C 1) Ratification of Condonation of delay of 98 cases with respect to submission/re-submission of application by the bank/unit for issuance of UID under ATUFS.

As per Para 6.3.2.5 of guidelines of ATUFS dated 29/2/2016 “The concerned lending agency shall verify the details submitted by the beneficiary in the prescribed format (Format-1). If the requisite data is found complete in all respects by the lending agency, it will upload the said data and details in the prescribed format (Format-2) to the office of Textile Commissioner in the i-ATUFS software **within 2 months** from the date of submission of Format-1 by the applicant. The time limit of two months includes rectification time of Format – 1 by the applicant, if required”.

Further, as per Para 6.3.2.3 of guidelines of ATUFS dated 29/2/2016 “If there is any apparent discrepancy, the UID application will be referred back through the i-ATUFS software to the applicant and/or concerned lending agency for rectification and re-submission. The re-submission of the application shall be within a maximum period of **one (1) month** and shall be considered again on first-come-first-served basis”.

Many units could not apply within the above specified time limits and requested the Textile Commissioner for Condonation of delay under ATUFS. **For such cases TAMC in its 8th meeting held on 11.07.2017 has recommended 40 no of units for condonation.** (Refer: agenda no. 4. of minutes of 8th TAMC)

After the 8th TAMC meeting also, Office of the Textile Commissioner, has received 58 applications for condonation. It is expected more such applications will come in future for condonation of delay.

Subsequently Ministry has condoned the aforesaid 98 cases.

The Committee may ratify the same.

C 2) Relaxation in timeline for submission/re-submission of application by the bank/unit for issuance of UID under ATUFS

In the 9th TAMC meeting held on 20.12.2017, the Textile Commissioner informed that, there are many instances of breach of the guidelines by the banks / lending agencies in respect of timelines fixed for UID applications. The time line of two months for first submission and one month in case of resubmission by banks are

adequate enough and violation of above timeline is a breach of the guidelines. The Textile Commissioner requested all banks to submit the applications within the stipulated timelines and also asked the reason for non-submission of application within the time limit. The SBI representative informed that earlier under R TUFS & RR TUFS, the nodal cell of the respective bank need to forward the applications, whereas under ATUFS, respective branches are forwarding the applications directly to the TXC server. Many branch officials do not know the procedure and are also not well equipped to handle this issue which results in delay.

Industry Representative requested that request for condonation may be accepted as the ultimate sufferer is industry and as such, requested to extend the time limit.

Recommendations of TAMC:

- i. **Timeline for Submission of application after correction by the bank may be revised from 2 months to 3 months in ATUFS guidelines.**
- ii. **Timeline for Resubmission of the application after correction by the bank may be revised from 30 days to 45 days in ATUFS guidelines.**

Members are requested to deliberate and decide on the same.

D) Ratification of Condonation of delay of 380 cases with respect to Completion of JIT within 90 days under ATUFS.

In the 9th TAMC meeting held on 20.12.2017, the Textile Commissioner informed that the stipulated time period of 90 days for completing and submitting the JIT report are not being adhered to mainly since the units are not responding to the ROs for various queries in time. Further there are common discrepancies like wrong selection of machinery manufacturer, submission of incomplete documents and mismatch in the name of machinery in the Invoices etc. Textile Commissioner therefore stated that the units should go through the checklist and ensure that discrepancies do not occur at their end due to above reasons and also due to other points mentioned in the checklist so that the overall timeline for submission of complete JIT report by ROs can be adhered to.

Ministry has condoned such 380 cases. Further Ministry has also condoned 480 cases for processing the JITs by OTXC beyond one month.

The Committee may ratify the same.

E) Post Facto approval on giving UIDs after one month (Additional Point).

Under ATUFS, UID has to be issued within one month from the date of submission of application by Bank. However, 4390 UIDs have been issued after one month. This is due to the following reasons:

- After announcement of ATUFS scheme and Fund allocation for issuance of UID to the pending cases of RR TUFS during 2016, the thrust was given to clear the pending cases of RR TUFS, which were pending from September 2014. More than 7000 applications were pending under RR TUFS and as on date 6288 UIDs have been issued. This resulted in huge queuing up of ATUFS UID applications for scrutiny and issuance.
- Further it took time to develop the i-ATUFS software for processing UID applications.

- UID scrutiny/analysis is required since it creates a committed liability to the Government. Proper Scrutiny of UID application substantially reduces subsequent problems.
- There is shortage of about 30% staff in Office of the Textile Commissioner and the staff/officers who are engaged in the work of UID issuance are also engaged in other time bound works like JIT scrutiny, JIT extension, Redressal of Grievance, Issuing Clarifications, Making Ministry Notes, Answering PQs, Reply to VIP references, Claim processing etc due to which UIDs may not be issued in the specified time.
- It may be mentioned that, it is important to scrutinize DPR, No Multiple Finance Certificate, Subsidy amount, Date of Loan sanction as per bank sanction order, Duplicate applications etc which are obtained in PDF format and can therefore there is no possibility of developing software which can scrutinize these aspects. For example the date of loan sanction has to be tallied with the date mentioned in the sanction order. A number of discrepancies have been noted during the process of scrutiny. This is important to avoid unnecessary committed liability and blocking of amount for other valid applications

The Committee is requested to provide post facto approval on giving UIDs after one month.

F) Clarification on eligibility of machineries purchased from the “custom bonded warehouse” after sanction of term loan under RR-TUFS.

In case of if a unit purchases a machine from a Custom bonded Warehouse, the TAMC felt that the relevant date should be the date of release of goods from the Custom Bonded Warehouse. Moreover, this may be particularly relevant for MSME units since they usually purchase machines from Custom Bonded Warehouse and the machines brought in built by the authorised dealer into the Custom Bonded Warehouse.

In view of above, the TAMC recommended that the case of M/s Jindal Worldwide Limited, Ahmedabad for consideration of IMSC to allow the unit to avail the benefit under RR TUFS. Similarly the TAMC also recommended that such cases may be allowed to avail benefits under RR TUFS and also under ATUFS and the relevant date be the date of release of goods from custom bonded warehouse and not the date of Commercial invoice.

Members are requested to deliberate and decide on the same.

G) Eligibility of Non MSME Limited Liability Partnership (LLP) units under ATUFS

In the first meeting of IMSC held on 05.10.2016, IMSC directed that sufficient safeguards/thresholds may be suggested for considering this issue further.

The matter was taken up before the 6th TAMC meeting held on 9.2.2017. In the TAMC meeting the following points were emerged:

1. Since the unit is to be incorporated as per the rules issued by Ministry of Corporate Affairs GOI, there are sufficient safeguards for monitoring of LLP in comparison to Partnership and proprietary concerns.

2. The LLPs are recognised as separate borrowing entities to borrow from the Banks like proprietorship, partnerships both Pvt. Ltd., and Public Ltd., Companies, PSUs etc. and has been included in duly approved Credit policy of the bank.
3. The Category of LLP is under Corporates as they are incorporated as per the provisions of statute other than Non Corporates like partnership Trusts, Association of Persons etc.
4. Like other borrowings entities, Process of Due Diligence is followed in case of LLP before considering their credit proposals by Banks.

Further, a Note in this regard, prepared and submitted by Bank is attached as **Appendix II.**

Based on the deliberation, TAMC recommended the inclusion of LLP units under ATUFS.

Members are requested to deliberate and decide on the same

H) Extending the capital subsidy for building for Garmenting/made-ups manufacturing units under ATUFS:

In the 7th and 8th TAMC meeting, the representatives of the CITI, SIMA, ITTA and SISPA (members of TAMC) 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 for Garmenting and Made-ups units.

Before ATUFS, 50% of the building construction was also being subsidised @ 5% interest reimbursement 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.

Even though the Textile Commissioner explained that it may not be appropriate to include the said component under ATUFS as other schemes like SITP, Mega cluster, CFC are meant for Infrastructure development, the industry representative wanted to point to be put up for IMSC for decision.

Recommendations of TAMC:

The TAMC decided to refer to IMSC 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.

Members are requested to deliberate and decide on the same.

I) Consideration of pending cases of RR TUFS under ATUFS

In the first meeting of IMSC held on 05.10.2016, IMSC directed the TAMC to explore the possibility of also considering pending RRTUFS cases under ATUFS. TAMC in its 6th and 7th meeting discussed the issue and decided that an option to the pending cases under RRTUFS to be provided through i TUFS online system for exercising the option for the consent of the applicant regarding converting

the pending application of RRTUFS for availing the benefit as per ATUFS guidelines dated 29.02.2016. Accordingly, a window was made available for a period of one month in the i-TUFS software to the respective applicant units under RRTUFS for exercising the option. 397 units out of 853 waitlisted applicants have opted for the option of availing ATUFS benefit. The applicant units can exercise said option after login their account. A circular no. 4 (2017-18 series) under ATUFS dated 22.05.2017 is also issued in this regard. The details of the cases opted from pending cases of RR TUFS to ATUFS in i-TUFS software is given below:

Rs. in Crores

Total numbers of pending cases under RRTUFS	Total no. of units opted from pending cases of RR TUFS to ATUFS	Estimated Subsidy Amount as per RRTUFS	Estimated Subsidy Amount as per ATUFS
1375	397 (28.87%)	197.32	128.91*

* Approximate amount based on the basic cost of the machinery given by the unit in the i-Tufs software

It is proposed that:

- Approval may be accorded for issuance of UIDs to above cases.
- A window may again be given to units of pending RRTUF cases to apply under ATUFS.

Members are requested to deliberate and decide on the same.

J) Procedure for enlistment of Custom bonded Warehouse and Authorised Stockist for stitching Machines.

TAMC in its 9th meeting observed that many of the MSME units of Garment segment procure stitching machines from custom bonded warehouses to avoid complex import procedures. However, there is no specific provision for enlistment of importers/authorised stockists who are stocking the imported machinery of garments, apparels and madeups in Custom bonded Warehouse & other Warehouses.

However as per Para 4.2.1 of ATUFS guidelines dated 29.02.2016, machinery manufacturer and their authorised agents are required to be notified by the Textile Commissioner on recommendation of TAMC.

Recommendations of TAMC:

The TAMC has recommend to the IMSC to provide for enlistment of importers/authorised stockists who are stocking the imported machinery of garments, apparels and madeups in Custom bonded Warehouse & other Warehouses and amend the guidelines to accommodate the same.

Members are requested to deliberate and decide on the same.

K) Higher subsidy of 30% for Weaving machines for MSME units.

In the 9th TAMC meeting held on 20.12.2017, the industry representatives stated that UIDs have been issued only for Rs. 1,032.91 crores out of a total allocation of Rs. 5,151 crores in two years indicating that the progress of the scheme is not encouraging. Lower response to ATUFS is due to a lower rate of subsidy under the scheme. Members of CITI & SIMA suggested that, the subsidy for weaving machines for MSME units may be increased from 10% to 30% under ATUFS, since the weaving units in the decentralized sector need greater financial support for upgradation of technologies due their weak financials and wafer thin profit margin. This will strengthen the powerloom sector which is a weak link in the textile value chain and will also increase the utilization of fund allotted to ATUFS

The TAMC recommended the above to the IMSC to increase the TUFs subsidy for weaving machines for MSME units from 10% to 30% under ATUFS in line with the MMS Scheme which was earlier in operation.

Members are requested to deliberate and decide on the same

Agenda Item No. 5: In reference to MoT's letter No. 06/05/2015-TUFS dated 04.10.2017 and direction thereof suggestion on amendment in guidelines regarding UID issuance and return of application under ATUFS and Pending RRTUFS

In regard to issuance of UIDs and the applications losing seniority if they are deficient, it is submitted that the Office of the Textile Commissioner, Mumbai is issuing UIDs for the applications received under Amended Technology Upgradation Fund Scheme (ATUFS) and Revised Restructured Technology Upgradation Fund Scheme (RRTUFS) through i-TUFS software which has an in built FIFO feature. The feature has been developed as per the Resolution dated 29/02/2016 and Resolution dated 04/10/2013 respectively. The provisions in this regard, Scheme-wise are as given below:

(1) Provisions Prescribed under ATUFS

In accordance with Para No. 6.3.2.2. of Resolution on ATUFS dated 29.02.2016; UIDs have to be issued on a first-in-first-out basis (FIFO). Further the issuance of UID has to be made after verification of the application based on the Checklist given in the guidelines at Format 3 enclosed in **Appendix – III**. Accordingly, the applications received online under i-TUFS software are processed on a FIFO basis. Eligible applications which are found complete in the scrutiny (as per the prescribed check list, format -3), are issued the UIDs.

As per para 6.3.2.8 of Resolution of ATUFS, dated 29.02.2016, 'If there is any apparent discrepancy, the UID application will be referred back through the i-ATUFS software to the applicant and/or concerned lending agency for rectification and re-submission. **The re-submission of the application shall be within a maximum period of one (1) month and shall be considered again on first-come-first-served basis**'. Accordingly, this office takes necessary action. The discrepancies which were formalised as 'apparent' by this office are listed below and are considered 'apparent' since they are deviations from the requirements as per the checklist which has been given in the Guidelines of ATUFS issued vide Resolution No.6/5/2015-TUFS dated 29/02/2016:

- i. Name of the Unit & PAN number not matching with the uploaded Pan Card vis a vis UID application,
- ii. The uploaded 'No Multiple Financing Undertaking' not as per format prescribed in Annex-A of ATUFS Guidelines dated 29.02.2016.
- iii. In the 'No Multiple Financing Undertaking', the details of Project cost, Term loan sanctioned amount etc has not been mentioned or otherwise these details are not matching with the UID application.
- iv. Detailed Project Report (DPR) has been uploaded without details about Machines, Segment, Executive Summary, Cost of Project, Means of Finance and achievements to be made in Production, Turn over & Employment. Further some units have uploaded other documents in place of Detailed project Report (DPR).

In this regard, it is also submitted that this office has issued a Circular No. 6 (2016-17 series) dated 28.10.2016 (copy enclosed) for submission of proper documents in the ATUFS online application so that there should not be any return of the submitted application.

The details of UID issued under ATUFS since the inception of the scheme i.e. 13.01.2016 are given in enclosed **Appendix – IV**. At present a total of 4600 UIDs have been issued and 518 applications have been returned for rectification. Most of the returned applications have been re-submitted by the concerned applicants and UIDs against the same are issued if found proper in accordance with the guidelines in force.

(2) Provisions Prescribed under RRTUFS

Under RR TUFS, the UIDs have been issued to the applications submitted to TxC till 12.01.2016 through FIFO system as per Para No. 2.2 of Resolution dated 29.02.2016 on pending cases of RR TUFS. The remaining applications are pending for issuance of UID due to non availability of funds. The RR TUFS applications have been scrutinized based on the documents submitted by the unit/Nodal and as per the Guidelines dated 04/10/2013 of RR TUFS. A checklist had also been prepared for scrutinising the applications for issuance of UIDs and the applications were scrutinised as per the said Checklist given in enclosed **Appendix – V**. The 'apparent' discrepancies for which the applications were returned were: wrong calculation of subsidy amount, cases in which machines were procured before sanction of term loan, cases where claims has been submitted for ineligible machines etc.

As per para 1 (vi) of chapter V of Resolution on RRTUFS dated 04.10.2013, if there is any apparent discrepancy, the UID application will be referred back to the concerned Lending Agency for rectification and re-submission. The resubmitted application will be considered again on first-come-first-served basis.

The details of UIDs issued under pending cases of RRTUFS after allocation of funds during the year 2016-17 are given in enclosed **Appendix – IV**. At present a total of 6333 UIDs have been issued and 103 applications have been returned for rectification.

In case any alteration are required to be made in the stated policy the same would be required to be incorporated in the guidelines. For instance, if a window of one month is to be given to address the discrepancies, the guidelines will have to be formulated as follows:

- In case of any apparent mistake in the UID application, TxC will mark the application as deficient with deficiency remarks.

- The application will be returned to Branch/unit without losing seniority.
- Branch/Unit will update application data as per deficiency remarks.
- Again application will come to TxC with updated data.
- TxC user will review updated data and Generate UID.

Note : Seniority of Application will remain as it is in case of above mentioned deficient flow.

However if there is any minor discrepancy such as Minor mistakes in NMFC certificate, Detailed Project Report (DPR) uploaded without details about Executive Summary and achievements to be made in Production, Turn over & Employment other than Garment and made-up units, machine description not tallying with the machines indicated in the DPR etc (to be decided by MoT), the unit will be allowed to submit the corrected/supportive document(s) during the submission of JIT request and UID will be issued without losing seniority of its application. For such cases, the guidelines will have to be formulated as follows:

- In case of any minor mistake in the UID application such as Minor mistakes in NMFC certificate, Detailed Project Report (DPR) uploaded without details about Executive Summary and achievements to be made in Production, Turn over & Employment other than Garment and made-up units, machine description not tallying with the machines indicated in the DPR etc (to be decided by MoT) the UID will be issued without losing the seniority.
- Such UIDs will be issued subject to the unit concerned will submit all corrected document(s) at the time of JIT request to be made in Format 4 of guidelines dated 29.02.2016.
- In case the corrected document(s) not submitted at the time of JIT request the UID so issued will be rejected and will not be considered for any subsidy under ATUFS.

Members are requested to deliberate and decide on the same

Agenda Item No. 6: Status of NABCONS 3rd Party Evaluation on Release of Committed Liabilities under M-TUFS (List I & II cases) & R-TUF

In the 9th TAMC meeting held on 20.12.2017, the industry representatives stated that due to delay in the evaluation study of NABCONS, the industry is going through a tremendous financial stress which is also resulting into units being NPAs. Industry associations mentioned that their members have not received any subsidy in respect of their accounts categorised as MTUFS (List-II) from Dec 2014 onward and in about 351 accounts categorised as MTUFS (List-I), since September 2012 onward and the industry is very upset and disappointed about the NABCONS study. The Industry association suggested that looking at the progress the NABCONS' report may be scrapped. The Industry association also proposed that a task force comprising persons from the Textile Commissioner's office, specialised experts from industry, senior level people from SBI etc may be constituted for the same. Textile Commissioner recommended that NABCONS be given another two more months to complete the study for including / addressing all requirements as defined in Terms

of Agreement and to satisfaction of Evaluation Committee constituted under the TXC in the said regard to determine reliability and correctness of the report.

Since the said recommendations of the Textile Commissioner, NABCONS has been carrying out the third party evaluation and the Office of the Textile Commissioner has been monitoring the same on a day to day basis. The Textile Commissioner has had several meetings with all the bankers urging the banks and NABCONS to submit a minimum of three documents a) Authenticated copy of the term loan sanction letter/ an authenticated letter stating the date of sanction of term loan and term loan amount, b) an authenticated calculation sheet from bank and c) an authenticated calculation sheet from NABCONS. NABCONS has submitted the documents of 894 cases to the Textile Commissioner on 20.03.2018. However, after due scrutiny it is found that in none of the cases, even these basic documents which are minimally required, are not available.

NABCONS has been carrying out the study for the last one year and two months and being a third party evaluation, the Textile Commissioner is only involved in monitoring, reviewing and facilitating the evaluation. A day to day monitoring and reviewing has been going on on the evaluation activities of NABCONS right from the time the work order was given to NABCONS. Further, the Office of the Textile Commissioner has facilitated in terms of holding frequent meeting with the banks on this subject as well as in coordinating NABCONS with the banks as well as even developing software so that NABCONS can transfer its data to the i-TUFS software to enable checking of authenticity of information. Despite of constant efforts put in by the Textile Commissioner and her office, NABCONS does not seem to be in a position to complete the evaluation. Directions are therefore solicited on how these List I and List II cases under MTUFS and RTUFS would be dealt with.

Members are requested to deliberate and decide on the same

Agenda Item No. 7 : Incorporation of Detailed Project Report (DPR) Summary Sheet in place of DPR in the i-TUFS software

As per Para 6.3.1 of guidelines of ATUFS, the applicant/unit has to submit Detailed Project Report (DPR) along with their application for UID. The DPR has to be scrutinised while issuing UID. The bulky DPRs are not amenable to easy verification. As such in place of DPR, DPR summary format may be incorporated in iTUFS software which can be used for easy examination at UID and also Claim process

Members are requested to deliberate and decide on the same

Agenda Item No. 8: Performance Audit of TUFS by Comptroller & Auditor General of India (CAG)- Status of Recovery

The Performance Audit of Technology Upgradation Fund Scheme by the CAG covered the projects financed during the period from 01/04/2007 to 31/03/2014, with a sample size of 3,231 cases. The Audit was conducted during the period from September 2014 to May 2015.

Following are the main findings of the Audit:

- a) Extending subsidy to ineligible beneficiaries
- b) Extending subsidy to ineligible investments
- c) Excess payment of subsidies to beneficiaries
- d) Delay in crediting subsidy into beneficiaries' accounts beyond 3 working days

After conducting the Audit of 3,231 units in 7 states, Exit conferences were held in all the seven states to discuss the audit findings with the representatives of FIs. Thereafter, the CAG prepared Draft Performance Report. Another Exit Conference was held on 09/07/2015 and the discussions were held wherein major audit findings were discussed with the Ministry and additional set of observations were issued. In pursuance of the discussions held in the Exit Conference dated 07/07/2015 and in the light of audit observations in the Draft Performance Report and also in the light of additional set of audit observations, clarifications, comments and Action Taken Reports (ATR) were sought from the Financial Institutions. The comments/clarifications and ATRs so received from the FIs were examined and consolidated Action Taken Report with comments was submitted during October 2015.

Thereafter, the CAG submitted Draft Final Performance Report in October 2015. In pursuance of the Final Draft Performance Report, action has been initiated with the FIs for compliance of points raised in the said Report. FIs submitted their clarifications/comments to CAG and ATRs with regard to recovery of subsidy released to ineligible beneficiaries, ineligible investments, excess payment of subsidy, delay in releasing subsidy to beneficiary accounts etc. FIs also effected recovery of wrongfully claimed subsidy and remitted in many cases. It is mentioned in the report that the clarifications/comments received in response to the Draft Final Report were considered while finalizing the Final Audit Report.

The Final Report, i.e., Report No. 52 was received in April 2016 and since then, Office of the Textile Commissioner has been following up with the lending agencies for compliance of audit paras.

The brief information of objections raised is given below:

	No. of cases	Objected Amount (Rs. lakhs)	Amount Recovered (Rs. lakhs)			
			No. of cases	Recovered amount	Penal Interest	Total
Annexure-III Ineligible beneficiaries	129	4696.33	20	612.25	121.22	733.47
Annexure-IV Ineligible Investments	193	5286.63	73	976.51	257.70	1234.21
Annexure-V Excess payment of subsidy	40	642.19	20	490.88	147.63	638.51
Annexure-VI Delay in crediting subsidy in to beneficiaries account	172	*Delay ranging from 1 day to 1509 days	19	00	2.46	2.46
Total	534	10625.15	132	2082.01	529.37	2611.38

*Indicates only the penalty on banks for delayed payments

Following are the Banks with major recovery pending:

S. No	Name of Bank	No. of cases	Objected amount	Recovered amount	Pending recovery amount
1.	IDBI Bank	8	2054.03	28.52	2025.51
2.	Bank of Baroda	34	1239.14	328.48	910.66
3.	Corporation Bank	16	588.63	0.94	587.69
4.	Saraswat Coop Bank	12	540.09	57.66	482.43
5.	Punjab National Bank	17	519.49	227.18	292.31
6.	Bank of India	64	515.47	60.77	45.47
7.	Central Bank of India	5	476.81	31.26	445.55
8.	Indian Overseas Bank	8	78.95	19.61	55.34
Total		164	6012.61	754.42	4844.96

The Bank wise present status of compliance is given in Annexure attached:

- 1) Bank-wise status of Recovered and partially recovered cases (Exhibit-I)
- 2) Bank wise status of recovery status in respect of ineligible beneficiaries (Exhibit-II)
- 3) Bank wise status of recovery status in respect of ineligible Investment (Exhibit-III)
- 4) Bank wise status of recovery status in respect of Excess payment of subsidy (Exhibit-IV)
- 5) Bank wise status of delay in crediting subsidy to beneficiaries accounts (Exhibit-V)
- 6) Summary Status of Annexure-3,4 & 5 (Exhibit-VI)
- 7) Summary Status of Annexure-6 (Exhibit-VII)

Members are requested to deliberate on the same

Agenda Item No. 9: Any other item with the permission of the chair

Action Taken Report on the decision taken by IMSC on 05.10.2016

Sr. No.	Decision taken by IMSC	Action taken
1.	Agenda Item No. 2.1 & 2.2: Regarding List II cases under M-TUFS & Regarding evaluation /assessment of committed liabilities data under M-TUFS / RTUFS cases	IMSC decided to validate/ reconcile the data of MTUFS (List-II) along with accounts under TUFS pertaining to MTUFS (List-I) and RTUFS through NABCON. The NABCON has been assigned the work.
2.	Agenda Item No. 2.3: Authorisation to Textile Commissioner for condonation of delayed cases and correction in UIDs in respect of RR TUFS.	i. In regard to Condonation of delayed cases, the meeting of Condonation Committee under the Chairpersonship of Textile Commissioner were held on 05.07.2016 & 04.02.2017 and the Committee has condoned a total of 102 cases. ii. In regard to One time correction of details in UID in respect of RR TUFS, on the basis of requests received from banks, 15 UIDs of 9 units were found eligible for one time correction under RRTUFS and accordingly downward revision of Committed Liability/ one time correction in quarter-wise committed liability was approved by TxC. Details are indicated in enclosed Annexure-I Appendix I.
3.	Agenda Item No. 3 (iv): With regard to non availability of adequate funds towards pending cases under RR-TUFS, AS&FA informed that we have to approach CCEA for additional funds. The Committee directed that requirement in this regard may be worked out. The Committee also directed the TAMC to explore the possibility of also considering pending RRTUFS cases (relating to the period 01.12.2015 to 12.01.2016) under ATUFS.	TAMC in its 6th and 7th meeting discussed the issue and it was decided that an option to the pending cases under RRTUFS to be provided through i TUFS online system for exercising the option for the consent of the applicant regarding converting the pending application of RRTUFS for availing the benefit as per ATUFS guidelines dated 29.02.2016. Accordingly, a window was made available for a period of one month in the i-TUFS software to the respective applicant units under RRTUFS for exercising the option. 397 units out of 1375 waitlisted applicants have opted for the option of availing ATUFS benefit. The applicant units can exercise said option after login their account. A circular no. 4 (2017-18 series) under ATUFS dated 22.05.2017 is issued. (Copy enclosed). It was recommended to place the same before the forth coming IMSC meeting for decision in the 8th TAMC meeting held on 11.07.2017.

Sr. No.	Decision taken by IMSC	Action taken
4.	Agenda No. 5 (iv): Eligibility of Limited Liability Partnership (LLP) units under ATUFS IMSC Committee directed that sufficient safeguards/thresholds may be suggested in this regard for considering this issue further.	The decision of the IMSC for suggesting the sufficient safeguard/thresholds for considering the issue further, was taken up for decision before the 6th TAMC meeting held on 9.2.2017. The TAMC after deliberation, recommended the inclusion of LLP units under ATUFS as eligible entity as safeguards are available and loan is sanctioned by the banks only after due diligence. This recommendation of TAMC is informed to MOT vide letter No. 12 (10) /IMSC /ATUFS /2017 /TUFS /146 dated 16.05.2017
5.	Agenda No. 5 (v): Amendment in para 5.1.2. of GR on ATUFS regarding requirement to keep the term loan component at a minimum of 50% of the total eligible machinery cost instead of 50% of total project cost and extension of time limit for uploading eligible cases under ATUFS	The amendment has been made vide MOT Resolution dated 22nd November 2016. The MOT Resolution dated 22nd November 2016 has been placed on the website of Office of the Textile Commissioner. Further the Resolution had been sent to all the members of TAMC for wide circulation. iTUFS software has also been modified as per the new modified provision. Further, in the iTUF software, the extension of time limit for uploading eligible cases under ATUFS till 21.12.2016 was provided.
6.	Agenda No. 5 (vi): Giving retrospective effect to the TxC office circular dated 24.07.2014 regarding reduction in speed of shuttless rapier looms in powerloom sector i.e. with effect from 01.04.2013	As per decision taken by the IMSC, Circular No :6 (2016-17 series) was issued on 22.11.2016 regarding reduction in speed of shuttless rapier looms in powerloom sector i.e. with effect from 01.04.2013. Accordingly on receipt of applications 45 cases have been considered for issuance of UIDs.
7.	Agenda No. 5 (vii): Modification of para no. 4.2.2. of Guidelines of A TUFS for allowing purchase of Accessories / attachments / spare machines / spares from other manufacturers for the machinery procured under the project upto a value of 20% of the machinery cost under ATUFS”	The amendment has been made vide MOT Resolution dated 22nd November 2016 and the same has been placed in the website of the Textile Commissioner.