

Most Immediate

**No.6/19/2016-TUFS
Government of India
Ministry of Textiles


Udyog Bhawan, New Delhi,
14th October, 2016

OFFICE MEMORANDUM

Subject: Minutes of the 1st Meeting of the Inter-Ministerial Steering Committee (IMSC) under Amended Technology Upgradation Fund Scheme (A-TUFS).

The undersigned is directed to forward herewith a copy of the Minutes of the 1st meeting of the Inter-Ministerial Steering Committee (IMSC) under Amended Technology Upgradation Fund Scheme (A-TUFS) held on 5th October, 2016 under the Chairpersonship of Hon'ble Minister of Textiles.

Encls. as above


(Jayashree Sivakumar)
Under Secretary to the Govt. of India
Tel:23062256

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. Deputy Governor, Reserve Bank of India, Member
9. Addl. Secretary & Financial Advisor, Ministry of Textiles, Member
10. Textile Commissioner, Ministry of Textiles, Mumbai, Member
11. Jute Commissioner, Ministry of Textiles, Kolkata, Member
12. Development Commissioner (Handlooms), New Delhi, Member
13. Adviser, (in-charge of the textiles), NITI Aayog, New Delhi, Member
14. Member Secretary, Central Silk Board, Bengaluru, Member
15. Chairman & Managing Director, IDBI, Member
16. Chairman & Managing Director, SIDBI, Member
17. Chairman & Managing Director, IFCI, Member
18. Chairman, State Bank of India, Member
19. President, Textile Machinery Manufacturers Association of India (TMMAI), Mumbai, Member
20. Chairman, Confederation of India Textile Industry (CITI), New Delhi, Member
21. Chairman, Federation of India Art Silk Weaving Industry, Surat, Member
22. Chairman, Indian Woolen Mills Federation (IWFMF), Mumbai, Member

23. Chairman, Powerloom Development & Export Promotion Council (PDEXCIL), Mumbai, Member
24. Chairman, Indian Jute Mills Association (IJMA), Kolkata, Member
25. President, Clothing Manufacturers Association of India, Mumbai, Member
26. Chairman, Indian Technical Textile Association (ITTA), Mumbai, Member
27. Chairman, South India Spinners Association, Coimbatore, Member
28. Chairman, The Southern India Mills' Association, Coimbatore, Member
29. Additional Secretary (in-charge of ATUFS), Ministry of Textiles, Member-Secretary.

Copy to:

1. PS to HMOT

/Minutes of the 1st meeting of the IMSC under Amended Technology Upgradation Fund Scheme (ATUFS) held on 05.10.2016 at 04.00 p.m. in Room No. 47, Udyog Bhawan New Delhi.

The first meeting of Inter-Ministerial Steering Committee was held under the Chairpersonship of Smt. Smriti Zubin Irani, Hon'ble Minister of Textiles at 4.00 PM on 05.10.2016 in Room No. 47, Udyog Bhawan, New Delhi. A list of participants is enclosed.

2. The Chairperson welcomed the participants to the meeting. Thereafter, the Textile Commissioner (TXC) made power point presentation about the Agenda Items of the meeting. Agenda-wise observations/decisions of the Committee are given below:

Agenda Item No. 1: Confirmation of the minutes of the 5th Meeting of the IMSC held on 23.03.2015.

TXC informed that the minutes of the 5th meeting of IMSC under RR TUFS were circulated vide Ministry of Textiles' letter dated 15.04.2015 and that no comments have been received thereon. Therefore, the said minutes were taken as confirmed by the Committee.

Agenda Item No. 2: Action taken report on the decisions taken in the 5th Meeting of the IMSC held on 23.03.2015.

The Committee took note of the actions taken by the Ministry on the decisions taken in the 5th meeting of IMSC under RRTUFS. The observations/directions of the Committee are given below:-

2.1 Agenda Item No. 8 of 4th IMSC meeting- Regarding List II Cases under M-TUFS:

The Committee noted that the revised committed liability (List II Cases) of Rs. 789.56 crore was arrived at by office of TXC against the committed liability of Rs. 904 crore approved by CCEA. However, the same will be vetted as part of the third party study commissioned by TXC.

2.2 Agenda Item No. 2 of 5th IMSC meeting – Regarding evaluation/assessment of committed liabilities data under MTUFS/RTUFS cases.

TXC informed that NABCONS has now agreed to undertake the assignment at a total consultancy fee of Rs. 1.00 crore as suggested by IFW, i.e. @ Rs. 935 per account + taxes.

The Committee directed that NABCONS must complete the assignment within the given timelines.

2.3 Agenda Item No.6(a) and 6(b) – Regarding authorizing TXC for condonation of delayed cases, and correction in UIDs in respect of RRTUFS respectively.

TXC informed that from the representations received only some would be taken up since in the other cases, response from the banks was awaited.

Therefore, the Committee directed that the names of such banks/lending agencies be furnished to Department of Financial Services. The Committee further directed that TXC should complete the entire process within one month.

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

The Committee took note of the progress with regard to release of funds under the scheme and issuance of UIDs made under RR TUFs (pending cases) and ATUFs. The Committee also made the following observations:-

- (i) Shri V.K. Ladia, representative of CITI expressed gratitude to the Government on behalf of the textile industry for releasing the funds for claims until June 2016. He requested the Chairperson to use her good offices in getting additional funds at the earliest.
- (ii) The Chairperson informed that she has already taken up the matter with Finance Minister. She also lauded the role of industry in taking forward the textile sector.
- (iii) Secretary (Textiles) said that the response of industry under ATUFs is not encouraging so far, given the additional benefits announced for the garmenting sector for a limited period of three years. She urged the industry to take advantage of the special garment package and promote investment
- (iv) With regard to non-availability of adequate funds towards pending cases under RRTUFs, 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.

Agenda Item No. 4: Decisions of TAMC for information of IMSC.

The Committee took note of the decisions taken by the TAMC with regard to the following and gave directions as under:

- (i) Inclusion of machinery under ATUFs.
- (ii) Review of action taken report by the banks related to cases audited by C&AG and CCA.

The Committee directed that the concerned banks should refund the due amount within one month. The Committee further directed that a list of Banks which have not effected recoveries may be sent to the Department of Financial Services for necessary action by them.

- (iii) Clarification on special carpets and floorings under Technical Textiles.
- (iv) Inclusion of banks under ATUFs

The Committee directed that the IT capability of the banks may be verified first to see their capacities to have online interface with i-ATUFs and also asked them to designate a Nodal Officer whose contact details may be uploaded in the i-TUFs software to facilitate the applicants to interact with those banks.

Agenda Item No. 5: Recommendation of TAMC for approval of IMSC.

The Committee considered the recommendations of the TAMC and made the following observations/directions:

- (i) **Segment-wise indicative minimum economic size.**

The Committee approved the recommendation of TAMC.

- (ii) **Allowing one time correction of errors of the banks in UIDs obtained under RTUFS/RRTUFS within the overall committed liabilities under RTUFS and RRTUFS.**

The Committee directed that this issue may be examined after reconciliation process to be undertaken by NABCON is completed.

- (iii) **One time correction of quarter-wise subsidy details within the overall committed liability in the UIDs obtained under RTUFS in line with RRTUFS**

The Committee directed that this issue may be examined after reconciliation process to be undertaken by NABCON is completed.

- (iv) **Eligibility of Limited Liability Partnership (LLP) units under ATUFS**

The Committee directed that sufficient safeguards/thresholds may be suggested in this regard for considering this issue further.

- (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 Committee approved the recommendation.

- (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.**

The Committee approved the recommendation.

- (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 also for the machinery procured under the project upto a value of 20% of the machinery cost under ATUFS”**

The Committee approved the recommendation.

Agenda Item No. 6: To consider request from Jute Commissioner to include machinery up to spinning stage and spinning machineries for jute industry under ATUFS.

The Committee directed that a separate initiative may be considered for supporting the jute industry.

Agenda Item No. 7: Sharing of bank's internal software with the Textile Commissioner through i-TUFS software in respect of TUFS cases.

The Committee directed that the issue may be taken up with the Department of Financial Services.

Agenda Item No. 8: Sharing of Application Programming Interface (API) services of National Payment Corporation of India with the Office of the Textile Commissioner through i-TUFS software for PAN details verification.

The Committee directed that this issue may be taken up with the Department of Financial Services.

3. At the end, the Chairperson appreciated the good work done by the Banks in the implementation of the TUFS and sought their co-operation in implementing the scheme in future.

4. The meeting ended with Vote of Thanks to the Chair.

List of Participants

**1st Meeting of Inter-Ministerial Steering Committee (IMSC) under ATUFS held
under the Chairpersonship of Hon'ble Minister of Textiles at 4.00 PM on
05.10.2016 in the Ministry of Textiles**

S.No.	Name & Designation	Name of organization
1.	Ms. Rashmi Verma, Secretary	Ministry of Textiles
2.	Shri J. K. Dadoo, AS & FA	Ministry of Textiles
3.	Smt. Pushpa Subrahmanyam, AS	Ministry of Textiles
4.	Dr. Kavita Gupta, Textile Commissioner	Office of Textile Commissioner
5.	Shri S. Balaraju, Addl. Textile Commissioner	Office of Textile Commissioner
6.	Shri S. P. Katnauria, Director	Ministry of Textiles
7.	Shri S.P. Verma, Director	Office of Textile Commissioner
8.	Ms. M. Imkongla Jamir	Ministry of Textiles
9.	Ms. Rashi Bhatnagar, Manager	IFCI
10.	Shri Bavinder Singh, Deputy Director	Office of Development Commissioner (MSME)
11.	Shri Sanjay Aggarwal, Director	Department of Expenditure
12.	Shri Upendra Kumar Gupta, Deputy Advisor	NITI Aayog
13.	Shri A. K. Khullar, Research Associate	NITI Aayog
14.	Shri Arun Mehendru, Sr. Development Officer	DIPP
15.	Shri Raj Kamal	DIPP
16.	Shri Subrata Gupta, Jute Commissioner	Office of Jute Commissioner
17.	Shri Nagesh Prabhu, Member Secretary	Central Silk Board
18.	Shri Manoj Jain, Director	Office of Development Commissioner (Handloom)
19.	Shri A. P. Deshpande	Indian Woolen Mills Federation
20.	Shri R. Gupta	IJMA
21.	Shri V. I. Bachhaniwala	FIASWI
22.	Shri K. Rangarajan	SISPA
23.	Shri M. Senthilkumar, Chairman	SIMA
24.	Dr. Kr. Selvaraju, Secretary General	SIMA
25.	Shri V. K. Ladia, TUF Sub-Committee, Chairman	CITI
26.	Shri Binoy Job, Secretary General	CITI
27.	Shri Sachin Kumar	TMMA(I)
28.	Shri Ramesh Dharmaji, CGM	SIDBI
29.	Shri Sindhu Pillai, Director	Deptt. of Financial Services
30.	Shri Sahil Ramchander	IDBI
31.	Shri Subroto Mondal	IDBI
32.	Shri Naresh Kumar, Chief Manager	SBI
33.	Subrata Biswas	SBI
34.	Shri J. K. Arora	Clothing Manufacturing Association of India