

AEPC Circular No. 54

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Subject: Minutes of 5th Meeting of Inter-Ministerial Steering Committee (IMSC) under Amended Technology Upgradation Fund Scheme (ATUFS)

Dear Members,

This is with reference to the long pending cases under ATUFS, many of which were pending ratification by the IMSC for implementation. Chairman AEPC had been consistently taking up these issues with the Ministry of Textiles with a request for holding of an early IMSC Meeting for resolution of these issues.

We are happy to share that these pending issues were taken up for discussion in the 5th IMSC meeting held on 22.10.2021 under the Chairpersonship of Hon'ble Minister of Textiles and Co-chaired by Hon'ble Minister of State for Textiles. Chairman, AEPC attended this IMSC Meeting. Minutes of the meeting dated 22.10.2021 are enclosed along-with for information please.

The brief of the some of the important decisions are produced below:-

1. **Agenda No. 2:** It has been decided to fix the last Friday of each quarter for the IMSC meetings to ensure regularity in holding of the same.
2. **Agenda No. 4:** Date of eligibility of machines ratified for inclusion by TAMCs
It has been decided that the technology of machinery will be included in the list of benchmarked machinery **w.e.f. the date of first request received from industry/unit/ association in the Office of the Textile Commissioner** for inclusion/consideration of technology for machinery by the TAMC henceforth.
2. **Agenda No. 5:** It has been decided that in case of consortium finance, in addition to invoices issued after term loan sanction by the last bank, if invoice date falls between 1st Term Loan Sanction date and the last term loan sanction date, then such invoices will be considered as eligible for subsidy claim provided full sanctions by all banks also are on record. It has to be ensured that full sanction is on record and due disbursements towards sourcing machinery have been made.
4. **Agenda No. 6A:** Condoning delay in submission of UID applications:
Suggestions for 6A: Timeline of 30 days for submission of UID application in iTUFS from the date of issue of the Minutes of Meeting of 5th IMSC may be considered for these units. The concerned lending agency/bank may be provided 30 days timeline from the date of receipt UID request from unit in iTUFS.

After detailed deliberations, the followings were considered by the IMSC:-

Condoned delay in submission of UID applications. Total time period of 90 days together for the unit and bank (no separate time line for unit and bank) for submission and forward of UID application to Office of TXC/iTUFS from date of 5th IMSC.

For all new cases in ATUFS from date of this IMSC: In addition, considering the probability of usual delays and recurring need to come to IMSC for relaxation, the basic timeline for submission needs to be revisited in GR (para 10.1). For new applications, timeline for UID generation will be as follows:

- a. For the units, 6 (six months) timeline for forwarding UID application to the bank from the date of sanction of term loan and
- b. For banks, 90 (ninety days) timeline to submit the UID application to Office of TXC/iTUFS from date of receipt from the unit.

Industry may take a note that the Ministry and Textile Commissioner will not entertain condoning delay of any category for UID in future.

This will be applicable from date of issue of notification.

5. Agenda 6A(II): Request to relax timeline for submission of UID application under ATUFS due to COVID-19 pandemic (Second Wave): Agreeing to relax the timeline, IMSC decided as follows:

Total time period for both the unit and bank will be 90 days (i.e. total time period for unit & banks both) for the UID applications which could not be submitted/forwarded to Office of TXC/iTUFS due to COVID-19 pandemic (Second Wave) in which cut off dates falls between 23rd March 2021 and 22nd October 2021. The 90 days relaxation would be from 23 October 2021.

Ministry and Textile Commissioner will not entertain condoning delay for UID under this category in future.

6. Agenda No. 6B: With regard to condoning delay of timeline for JIT request, following were considered to expedite the JIT process:

- i) Reconstitution of JIT team and process
- ii) On automation of JIT process: Secretary (Textiles) may finalise the revised process looking at spread of claims and process of selection for physical JIT.
- iii) For the subsidy claim above Rs.50 lakhs as per UID, 100% cases will be physically inspected by the JIT.
- iv) IMSC authorized Secretary (Textiles) to approve the detailed protocol.
- v) Relevant provisions in the guidelines of ATUFS to broadbase physical JIT membership with automation in the process along with categorization of cases will get amended accordingly.

7. Agenda No. 6C: Covid Constraints: Condone delay for JIT inspections beyond 88 days: IMSC decided to allow verification of cases by JIT which could not be completed within 88 days timeline due COVID-19 restrictions / constraints.

8. Agenda No. 6E: The IMSC decided that in all cases of physical JIT, the report should be uploaded within 2 days. However, Textile Commissioner has been authorized to accord relaxation maximum upto 7 days beyond the 2 days timeline for uploading JIT report based on acceptable evidences.

9. Agenda No. 7: IMSC decided to allow complete production line under Technical Textiles in more than two components purchased from different vendors.

10. Agenda No. 10: The TAMC vide its 19th & 20th meeting decided to recommend that Year of Manufacturing to be verified by decoding in respect of M/s. Juki, M/s. Jack, M/s. Brother Machinery (Asia) Ltd. and M/s. Eastman – C.R.A. (Hong Kong) Ltd.

The Committee ratified the decoding procedure submitted by the machine manufacturers and recommended by Office of the Textile Commissioner.

11. **Agenda No. 12:** Ratification of decisions taken with the approval of HMOT for modifying the guidelines to improve monitoring mechanism/transparency and for speedy settlement of claims.

The IMSC ratified the following:-

- 12.1: Condoning the delay in submission of UID application and JIT requests under ATUFS due to lockdown during COVID-19 Pandemic.

The following relaxation approved vide OM dated 11.09.2020 :-

- i) The proposal for relaxing the timeline for submission of UID applications and its process by banks may be allowed as follows for the cases in which cut-off date for submitting application with reference to date of sanction of term loan falls between the period from 20.03.2020 to 31.08.2020 (end date of Unlock-3) following relaxation was approved vide OM dated 11.09.2020:
- ii) TXC may open the window in iTUFS for submission of JIT application for those cases in which the cut-off date for submitting JIT application after 2 years from the date of sanction of term loan falls between 20.3.2020 and 31.08.2020 (end date of Unlock-3), for a period of 6 months from the date of issue of this OM.

- 12.2 Relaxations in timeline for carrying out JITs and modifications in the guidelines under ATUFS proposed by O/o Textiles Commissioner

Para No.	Existing Provision	Modified as
10.2.3	Machine name and serial number should be expressly written on the Commercial Invoice / Bill of Lading / Airways Bill / Bill of Entry / Packing List	Units shall ensure that machine serial number is clearly indicated in the original commercial invoice/ Bill of Lading/Airways Bill/Bill of Entry/Packing List as prescribed under sub clause (i) above, to facilitate verification of the machinery during joint inspection. However, in case machine serial number is not mentioned in the original commercial invoice/Bill of Lading/Airways Bill/ Bill of Entry/Packing List, but indicated (engraved /punched) on the machinery, a certificate indicating the machine serial numbers against the machines supplied through a particular invoice may be obtained from the machinery manufacturer by the unit to support the claim. Based on such certificate, the claim can be accepted, if such machinery with specified serial number is physically verified at the time of joint inspection of the unit by JIT. (This modification will be applicable from date of notification of ATUFS guidelines i.e. 29.02.2016)
10.3.7	The applicant will sign off JIT application with his digital signature. The request will go to the concerned Regional Office (RO) of Textile Commissioner. The Textile Commissioner will constitute Joint Inspection Teams (JIT) under ROs of the Textile Commissioner having members from the	The applicant will sign off JIT application with his digital signature. The request will go to the concerned Regional Office (RO) of Textile Commissioner. The Textile Commissioner will constitute Joint Inspection Teams (JIT) under ROs of the Textile Commissioner having members from the lending agencies, Industry and from the Textile Research Association to physically verify installation and commissioning of the machineries and recommend eligible subsidy amount to the entity. Units shall ensure that all necessary information / documents are submitted, complete in all respects, at the time of JIT request. JIT has to

	lending agencies, Industry and from the Textile Research Association to physically verify installation and commissioning of the machineries and recommend eligible subsidy amount to the entry. JIT has to complete physical inspection within 88 days of application for Joint Inspection	complete physical inspection within 88 days of application for Joint Inspection. Countdown of 88 days for conducting inspection shall commence on unit submitting JIT request, complete in all respects. In cases where incomplete documents / information is submitted by the unit, RO will reject the application for JIT request. Unit in such cases will get one chance to resubmit their JIT request, complete in all respects within 20 days of rejection by RO.
10.4.1	RO will provide report of Joint Inspection Team the same day or maximum the next day with geo-tagged and time stamped photographs in i-TUFS software. RO will also upload final copy of the invoice duly attested by him and sign off the verification with his digital signature	ROs to upload report of JIT in i-TUFS in 2 working days after the date of conduct of joint inspection with geo-tagged and time stamped photographs in i-TUFS software. RO will also upload final copy of the invoice duly attested by him and sign off the verification with his digital signature. However, in cases involving technical issues in i-TUFS hindering upload of requisite JIT documents, a relaxation of 3 days after expiry of due date of uploading JIT Report may be given by Textiles Commissioner subject to evidence submitted by Systems Engineer and after proper examination / approval by TXC. A report on the number of such relaxations accorded by Textiles Commissioner to be placed before IMSC in its meetings.

12.3: Due to the challenges posed by the COVID-19 pandemic and nation-wide lockdown in FY 2020-21 in conducting JITs, large no. of cases stood pending in which timeline of 88 days for JIT requests had ended on 31.10.2020. Consequently, vide OM dated 26.11.2020, approval was granted for the proposal of O/o TXC for extension of timeline for JIT inspections for all pending backlog cases under ATUFS, for which timeline of 88 days had since ended, till 30.6.2021 which was subsequently extended till 31.12.21 in view of second wave of COVID19 hindering the conduct of JITs.

12.4: On the recommendation of TAMC and O/o TXC, the following Paras in RRs were modified vide Order dated 26.11.2020

Para	Existing Provision	To be read as
10.2.5	Installation and commissioning of the machinery covered under UID shall be done within one year from the date of sanction of term loan. Extension upto one year beyond the initial prescribed period of one year may be permitted only on production of documentary proof that the order for machinery was placed within the prescribed timeline i.e., one year from the date of sanction of term loan.	Installation and commissioning of the machinery covered under UID shall be done within two years from the date of sanction of term loan subject to production of documentary proof that the order for machinery was placed within one year from the date of sanction of term loan for verification by JIT during inspection of machinery.
12.1	UID issued under the scheme shall be cancelled in cases where the applicant fails to submit intimation of installation of the machinery within one year from the date of sanction of term loan for undertaking physical verification by a Joint Inspection Team (JIT)	UID issued under the scheme shall be cancelled in cases where the applicant fails to submit intimation of installation of machinery within two years from the date of sanction of term loan for undertaking physical verification by a

	unless he is permitted for extension beyond one year by Textile Commissioner on the basis of sufficient documentary proof that the order for machinery was placed within time however installation and commission could not be completed due to circumstances beyond the control of the entrepreneur.	Joint Inspection Team (JIT) provided the order for machinery was placed within one year from the date of sanction of term loan however the installation could not be completed due to circumstances beyond the control of the entrepreneur.
5.4	The minimum repayment period of the term loan sanctioned for availing the benefit of the scheme shall not be for less than three years including moratorium period for MSME units and not less than 5 years for other categories.	The minimum repayment period of the term loan sanctioned for availing the benefit of the scheme shall not be for less than three years including moratorium period.

12. Supplementary Agenda

Supplementary Agenda No. 2: Reduction in compliance burden: Simplifying operation of GR 6.5.4 (Format 6) and 6.5.2 (Format 4)

In order to reduce compliance burden in processing of claims and avoiding delays due to submission of incomplete/deficient documents by the concerned Lending agency, it was proposed that in place of documents mentioned above, concerned lending agency may submit Payment Certificate in standard formats signed by signatory Not below the rank of Head of branch communicating the sanction of Term loan and seal.

The TAMC approved that Payment Certificate should be submitted to OTXC by the concerned lending agency duly signed by the authorized signatory not below the rank of Head of branch communicating the sanction of Term loan / Head of TUFs cell during JIT inspection. Accordingly, the payment certificate format is placed before IMSC for ratification.

The IMSC ratified the recommendation of Office of Textile Commissioner.

For detailed information, please refer the minutes of 5th meeting of IMSC under ATUFS. To view the minutes please [click here](#).

II. Accordingly, in pursuance of the decision of the 5th meeting of IMSC under ATUFS, the Office of the Textile Commissioner, Mumbai has issued the followings:-

II(i) **Public Notice No. 12(10)/IMSC/ATUFS/2021/TUFS/79 dated 10.11.2021 regarding Submission of UID application for the cases condoned in the 5th IMSC meeting.**

As per the decision of the IMSC, total time period together for the unit and bank (no separate timeline for unit and bank) for submission and forward of UID application to iTUFS is 90 days from date of 5th IMSC meeting 22nd Oct 2021. Accordingly, these units are enabled to submit UID application in the i-TUFS portal on or before 19th Jan 2022.

The units are requested to contact and liaise with their bank and submit/forward the UID application for auto generation of UID in iTUFS portal on or before 20th January **2022** positively.

It may also be noted that condoning delay for submission/forward UID application will not be entertained in future.

II(ii) Circular F.No. 12(10)/ IMSC/ATUFS/2021/TUFS/80 dated 10.11.2021 regarding Relaxation in timelines for submitting UID application under ATUFS due to lockdown in COVID-19 Pandemic (Second Wave) as follows:-

Activity/ Category	Relaxation allowed
Relaxation in timeline for submission of UID application by units and Banks	Total time period for both the unit and the bank will be 90 days for submission/forward of UID applications which could not be submitted/forwarded to iTUFS due to COVID-19 pandemic (second wave) in which cut off date for submission /forward of application to iTUFS falls between 23rd March 2021 and 22nd October 2021. The receipt of UID applications in iTUFS portal is allowed till 20th January 2022 . All the units to ensure that their bank forwards the application to iTUFS portal by 20th January 2022 positively.

It may also be noted that condoning delay for submission/forward UID application will not be entertained in future.

A copy of the above mentioned Public Notice and Circular is enclosed herewith for your information and necessary action.

With warm regards,

Yours sincerely,

Dr. L.B. Singhal
Secretary General