

Annexure-1

Minutes of the 4th Meeting of the Technical Committee of the Incentive Scheme for Acquisition of Plants and Machinery (ISAPM) held on 13th April, 2015 at 3.00 p.m. in the Conference Room of National Jute Board (NJB), Kolkata.

The meeting was chaired by Dr. Subrata Gupta, Jute Commissioner.

Shri Dipankar Mahto, Secretary, National Jute Board and Convenor of the Technical Committee of Incentive Scheme for Acquisition of Plants and Machinery (ISAPM) welcomed all the participants in the meeting and initiated discussions on the agenda items.

The list of participants of the meeting is enclosed at **Annexure- A.**

Agenda-1 : Confirmation of the minutes of the 3rd meeting of the Technical Committee of the Incentive Scheme for Acquisition of Plants & Machinery (ISAPM) held on 19th December, 2014 at IJIRA.

The approved minutes of the 3rd meeting was circulated on 5th February, 2015.

Since no comments were received from any members, the minutes was taken as confirmed.

Agenda-2 : Reporting on action taken on the decision of the 3rd meeting of the Technical Committee of ISAPM held on 19th December, 2014.

The report on action taken are as follows :

	Action to be taken	Action taken
1	The Chairman directed that settlement of claims under the incentive scheme be made only after manufacturers' name plate and serial number are found affixed / engraved on the machines. The decision was intimated to all the enlisted vendors.	Vendors were intimated vide letter no. NJB/Incentive Scheme/2015 dt. 06/02/15. The inspection teams were also instructed to follow the decision strictly during spot inspection.
2	Henceforth, photographs of the machinery to be properly taken during inspection at the shop floor of the mill and those photographs to be submitted along with the inspection report after completing all other formalities. The inspection teams have been directed accordingly.	The inspection teams were instructed to follow the decision accordingly and enclose photographs with the inspection report.
3	Two sub-committees will be formed to examine the issues regarding: (i) to allow incentive on import of second-hand machinery (ii) to allow higher % of incentive under the scheme for the machines for diversified jute products. The recommendations of the sub-committees will be placed before the Technical Committee. The Technical Committee will consider the recommendations and forward its recommendation to the Ministry for approval. The reports of the two sub-committees are placed in Agenda No.- 4.	Secretary, NJB as convenor of the committee constituted two sub-committees on (i) & (ii). Decisions taken on Sub-committee meetings on (i) & (ii) have been mentioned under Agenda No. 4.

4.	Decisions were taken that the admissible unit basic price of different core jute machinery have to be fixed and limited to the average unit price of all vendors enlisted for an identical machine every year. IJIRA after examination has forwarded its comments vide letter no. IJIRA/ISAPM/4080 dated 30 th January, 2015 (copy enclosed) explaining the practical difficulties in preparing average price for each of the core jute machinery. Issuance of IPA covering these machineries has been affected and kept pending. The Committee may deliberate on the issue and decide.	The list of pending proposals placed before the committee and it was decided that on the basis of the approved quoted price of each machinery IPA should be issued up to applications received till 31.03.2015 at NJB.
5.	Decision to consider IJIRA's recommendation on the basis of audited balance sheet, placed before the committee to include the name M/s. Manish Industries under the list of enlisted vendors as a manufacturer / supplier of Calendar machine under the scheme.	On the basis of IJIRA's recommendation, M/s. Manish Industries has been included as a manufacturer of Calendar machine in the list of approved vendor.
6.	Following enlisted vendors namely (i) Lagan Engineering Co. Ltd. (ii) Jutex Industries Pvt. Ltd. and (iii) Madhabi Engineering Works Pvt. Ltd. have been applied to include S4 type Shuttleless Jute Loom in addition with the list of existing machinery manufactured by them under ISAPM.	On the basis of recommendation of IJIRA M/s. (i) Lagan Engineering Co. Ltd. (ii) Jutex Industries Pvt. Ltd. (iii) Madhabi Engineering Works Pvt. Ltd. have been included additionally as manufacturer of S4 type Shuttleless Jute Loom.

Agenda-3 : Reporting of status on the progress of the scheme.

The committee noted the progress of the scheme up to 31.03.2015 since its commencement as placed in the Agenda.

Agenda-4 : To consider the recommendations of the two Sub-committees constituted in the 3rd meeting of the Technical Committee.

According to the suggestions and recommendations by the two sub-committees, following decisions approved by the Technical Committee:

(A) Recommendations to allow "Import of 2nd hand machinery under the scheme.

The following recommended machines were approved for imported 2nd hand machinery as eligible under the scheme.

- (i) intersecting Chain Gill Drawing Frames
- (ii) Ring Spinning Frame
- (iii) Shuttle-less Modern Looms
- (iv) Non-Woven Plant
- (v) Coating Machine, subject to ratification and recommendation by Shri D. C. Baheti and Dr. U. S. Sharma.

Shri D. C. Baheti and Dr. U. S. Sharma have been advised by the Chairman that criteria for eligibility of the above mentioned machinery, both indigenous and 2nd hand, should be highlighted in the report for inclusion under the scheme :

- (i) Specification of the machinery
 - (ii) Name of the machine manufacturing companies
 - (iii) Address and origin of the foreign companies
 - (iv) Specification-wise tentative unit basic cost company-wise
- (v) Recommendations of the sub-committee on enhancement of incentive for JDP machinery were considered by the Committee and following decisions were taken
- (i) JDP sector will be allowed to enjoy incentive @ 30% of basic cost of machinery subject to the cap of Rs. 2.5 Crore per manufacturing unit.
 - (ii) The list of machinery except "sanitation facilities" (which is not a machine or equipment) as recommended by the Sub-committee is approved.
 - (iii) The proposal for modernization / upgradation of JDP unit would be considered for incentive under both own source and bank financing as per laid down guideline of the scheme / The admissible charges for Techno-economic evaluation of the proposal / claim by the JDP sector to IJIRA henceforth will be 2% of the claim amount subject to minimum fees of Rs.5,000/- and a maximum of Rs.50,000/- respectively for each application.

Decisions taken on Agenda-4 needs to be ratified by the Ministry of Textiles as it would be modification of the scheme. NJB may take necessary action accordingly.

Agenda-5 : Any other matter with the permission of the chair.

- (i) The convenor opined that some additional check points to be introduced in connection with enlistment of new vendors.
- (ii) In this regard, the Chairman suggested that De-novo registration for all enlisted vendors to be undertaken by IJIRA and suggested that Shri D. C. Baheti and Dr. U. S. Sharma, Director, IJIRA would share the matter. Both Shri Baheti and Dr. Sharma agreed with the suggestion of the Jute Commissioner. Initially, they would check and consult the list of admissible machinery under TUFs and recommend those machines which are suitable for the jute / decentralized sectors towards modernization.
- (iii) IJIRA was also advised by the Chairman to conduct auditing of the mill, in respect of their status of modernization and maintenance schedule system for different machinery followed by the mills. The list of installed machinery and others would be required for balancing of the forward and backward linkages of the production system
- (iv) IJIRA will convene a meeting preferably within 31.05.2015 inviting all machine manufacturers (vendors), particularly manufacturers of S4 type shuttleless looms along with representatives from the industry.

- (v) Prior to the proposed meeting, an "Approach Paper" should be prepared by IJIRA for advance distribution amongst the participants, so that, the views of all participants can properly be looked into.
- (vi) National Jute Board will issue a Circular inviting all the participants to attend the meeting to be organized at IJIRA. The cost of organizing the meeting should be borne by NJB.
- (vii) Existing proforma for registration of vendor to be reviewed, and modified, if necessary, so that all points relating to Technical, Mechanical, Machinery, Supervisory and / Technical Hands, Power, Financial Sales Figures etc. are properly covered.
- (viii) Shri R. Gupta, Chairman, IJMA requested to grant higher percentage of incentive to the mills, which are exporting more jute goods. The committee decided to examine the issue and placed the same in the next meeting for consideration.
- (ix) The pending proposals submitted by the applicants to accord In-principle Approval (IPA) under own source of funding will be issued, considering the quoted price of core jute machinery by the respective vendors up to 31.03.2015. Similarly, claims of incentive under Bank financing also to be considered for payment subject to verification and checking of original documents and installed machinery at the declared premises as per guidelines of the scheme.

There being no other matter for discussion, the meeting ended with vote of thanks to and from the Chair.