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GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
OFFICE OF THE TEXTILE COMMISSIONER
POST BAG NO: 11500:: MUMBAI-400020
Fax: 022-22004693::Email:rrtufs1@gmail.com
Website: www.txcindia.gov.in, www.ministryoftextiles.gov.in

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Date: 09 /09/2020

To
The Officer-In-charge,
All Regional Office of the Textile Commissioner,

Sub: Checklist for Joint Inspection Team (JIT) for physical verification of machineries installed under RR-TUFS-Reg.

Sir,

Please find attached herewith checklist for Joint Inspection Team (JIT) for physical verification machinery installed in the unit under RR-TUFS, (**Annexure-I**).

In this regard, all In-charges of Regional Office of the Textile Commissioner are requested to kindly follow up the Checklist for carrying out JIT by the team members.

This issues with approval of Additional Textile Commissioner.

Yours Faithfully,


(N.K Gupta)

Deputy Director

Copy to:

1. Textile Committee / CSB
2. Computer Section - For displaying the same in the website.
3. PA to ATxC


(N.K Gupta)

Deputy Director

CHECKLIST FOR JOINT INSPECTION TEAM (JIT) FOR PHYSICAL VERIFICATION OF MACHINERY PROCURED UNDER RRTUFS

1. Background

- a) MoT vide OM dated 14/06/2019 forwarded Protocol on physical inspection of the machinery procured under ongoing subsidy accounts pertaining to MTUFS, RTUFS and RRTUFS. Joint Inspection has to be conducted as per the said Protocol.
- b) For determining eligibility of the account and investments made by the unit, GR on RRTUFS and OM & Circulars issued there-under need to be followed by the JIT.

2. Verification of the prescribed six documents and related issues

- a) Check that the six documents uploaded in i-TUFS are as per Protocol attached to OM dated 14.06.2019:
- b) Check that the prescribed six documents are duly authenticated by the branch/TUFS Cell with Name, Signature & Designation of Officer along with Seal of bank and Branch/TUFS Cell.
- c) Term Loan Sanction Letter :
 - i. Date of sanction of term loan is the date mentioned on the letter issued by the bank to the unit.
 - ii. In case the sanction letter is not available but internal memo of the head office to the zonal office/branch of the bank is available, the date of sanction as certified by competent authority of the bank may be accepted.
 - iii. Loans sanctioned by the lending agencies on or after 01/04/2012 to 12.01.2016 will be eligible for consideration of grant of benefits under RRTUFS.
- d) Actual amount disbursed against the sanctioned term loan amount and date-wise disbursement of amount:
 - i. Bank Statement generated through the bank's system may be preferred.
 - ii. Date-wise disbursement of loan amount given by bank/lending agency on letter head of the bank or properly authenticated may be accepted.
- e) Reporting Formats RRI, RR-2 for RRTUFS: Reporting Formats are preliminary documents required for determining eligibility for **interest reimbursement (IR)**. For determining eligibility for **capital subsidy (CS)**, the following additional Reporting Formats are required.

1	10% CS for the specified textile processing machinery	RR5
2	10% CS for the specified garmenting machinery under RRTUFS.	RR6
3	10% CS for the specified technical textile including non-woven machinery under RRTUFS.	RR7
4	15% CS for the brand new shuttleless looms under RRTUFS.	RR8

In case above listed additional Reporting Formats are not uploaded in i-TUFS, JIT should seek it from the bank.

- f) ECN Certificate / eligibility assessment under TUFS by the Nodal Agency in case of accounts pertaining to Co-opted PLIs while TUFS Cell of the concerned bank in case of Nodal Bank:
 - i. Nodal Agency (IDBI Bank/SIDBI/IFCI) issues ECN Certificates for the accounts directly financed by them as well as accounts financed by Prime Lending Institutions/Agencies (PLIs) co-opted by them under the Scheme.

- ii. Nodal Banks issues ECN Certificates for the accounts directly financed by them as well as accounts financed by its associate banks.
- iii. Check that ECN Certificate indicates the following:
 - Date of ECN Certificate is within one year from the date of sanction of term loan
 - ECN should be on letter head of the bank with seal and signature and Term loan amount sanctioned & eligible term loan under RRTUFS
- g) Calculation Sheet based on actual disbursement: Calculation sheet should indicate the followings:
 - i. Date and amount of sanction of term loan. Amount of term loan considered eligible under the scheme.
 - ii. Date of disbursement of first instalment of term loan
 - iii. Rate of IR subsidy applied and Period of IR calculation between two disbursements
 - iv. Ensure that calculation sheet provides quarter-wise subsidy calculated from the beginning of the term loan till the end of eligible period of IR under the respective scheme (7 years for RRTUFS)
 - v. In the case of CS, calculation sheet should indicate Name of the machines, eligible basic cost of the machine, payments details, rate of CS (@10% or 15%) applied, amount of CS, status of release of CS
 - vi. Calculation sheet authenticated by the bank should be accepted.

3. Verification of the account

- a) Verify UID details at the time of physical verification by JIT.
- b) Verify Registration Certificate, PAN Card of the unit and Term loan sanction letter
- c) Check that name of the account appearing in i-TUFS matching with the above documents.
- d) There are accounts which are takeover of term loans from one lending agency to another lending agency or by lending agency. In such cases, approval of Textile Commissioner communicated to bank may be checked with the concerned bank before conducting JIT.

4. Verification of the plant address

Address given in UID may vary. In such cases ensure that plant is either owned or taken on rent by the unit by verifying it with legal documents.

5. Verification of the working condition of plant

- a) Essential to establish that plant is in working condition as on date of physical verification.
- b) No subsidy is entitled w.e.f. the date of declaration of closure.

6. Verification of the segment

Check that the segment is eligible under the Scheme mentioned at Para II of the GR on RRTUFS.

7. Verification of machines

- a) As per the Para 3.5 of GR on RRTUFS advance/token money payment up to the margin money for machine cost can be paid by the unit prior to the date of sanction of term loan. However, machines purchased on or after date of sanction of term loan will be eligible under RRTUFS subject to fulfilment of other terms and conditions.

- 5-
- b) Check that machine names/specifications mentioned in UID & Reporting Formats (RR1, RR2, RR5, RR6, RR7, RR8) are matching with description of machines in Annexure(s) under the Scheme (If not matching then machine is ineligible).

Sr. No.	Annexure No. under the Scheme	Sr. No. of Annexure	Description of machine as per Annexure	Matching with Reporting Formats (Yes/No)

- c) Check that machine names/specifications mentioned in invoices are matching with those mentioned in Reporting Formats (RR1, RR2, RR5, RR6, RR7, RR8). Eligibility shall be determined based on technical specifications of the machine.

S. No.	Description of machine as per invoice	Matching with Reporting Formats (Yes/No)

- d) Brand new machines shuttle-less looms are eligible.
- e) Second hand imported shuttle-less looms with 10 years vintage and with a residual life of minimum 10 years is also eligible.
- f) Accessories/attachments/sample machines/spares received alongwith the machinery upto the value of 20% of the machinery cost or actual value whichever is lower is eligible.
- g) Apart from machines specified as eligible through various annexes in GR on RR-TUFS, the equipments and investments mentioned at Para III 3.2 (4) & (5) and Para III 3.3 are also eligible for benefits.
- h) For Capital Subsidy, Technical parameters to be mentioned to consider the eligibility
- i) The make and year of manufacture of all the eligible machinery are clearly indicated on machine/name plate attached to machine.

8. Verification of payment details

- a) Check that the payments made for the machines in form of LC, TT, Cheque and DD
- b) Check that payment is reflecting in bank statement.

9. Verification of subsidy calculation

- a) In respect of indigenous machinery, the basic cost of the machine or payment made to machine supplier, whichever is less to be eligible for subsidy.
- b) In respect of imported machinery, the CIF value of the machine or payment made to machine supplier, whichever is less to be eligible for subsidy.
- c) Term loan amount to the extent of eligible cost of the machine is the eligible for calculation of Interest Reimbursement (IR) subsidy
- d) Total basic cost of the specified machines is the eligible amount for calculation of Capital Subsidy (CS).

In addition to the above Checklist, the JIT may also refer the GR under RR-TUFS dated 04.10.2013 and OMs & Circulars issued there under while considering the eligibility.