

Minutes of the First Meeting of Reconstituted Development Council for Textile Machinery Industry held on 24TH February 2010 at 2 PM in the Udyog Bhawan, New Delhi-110 011.

List of participants is enclosed at Annexure I.

2. Shri Harbhajan Singh, Joint Secretary, DHI and Member Secretary welcomed all the participants. He invited suggestions regarding the action plan for the promotion of the Industry. He stressed that R&D is the critical area for the textiles machinery sector as many machines are produced with age old technology.
3. Dr. Satyanarayana Dash, Secretary, DHI and Chairman of the Development Council outlined the present status of the textile machinery industry highlighting the demand & supply of textile machinery, current installed capacity, imports of second hand machinery under the TUFS, technological gaps & lack of R&D initiatives and design & engineering facilities, etc. He informed the members that China and India have growth rate of more than 6% after Sept. 2008 global crisis. IIP figures for Dec 2009 show that growth is positive. With the aim of providing much needed intervention in the enhancement of competitiveness in the capital goods sector, a scheme is under consideration to support five sub-sectors within the capital goods sector including textile machinery industry. With these remarks he welcomed the inputs from the members of the Development Council.
4. Mr. Sushil Lakra, Industrial Adviser, DHI gave a brief presentation about the status and challenges faced by the industry.
5. Shri Anuj Bhagwati, Chairman, TMMA informed that MSME sector accounts for 88% of domestic textile machinery production. It intends to meet 70-75% demand of textile industry from the present position of 50%. Further, it meets 65-70% demand in respect of domestic spinning machinery.
6. He further stated that there are about 6 to 7 sources in the world manufacturing weaving machines and all have already set up units in China. A large number of benefits are available to the Chinese manufacturers for exporting their looms to India whereas there is no existence of global players in India. Mr. R.S. Bachkaniwala of M/s. Himson Textile Engineering Industry suggested that a specified fund may be made available to a nodal technical institute to execute a common design for a modern rapier, air jet and water jet looms. These designs can be made available to all the manufacturers.
7. It was informed that because of decentralised nature of textile processing sector, it is yet to reach economy of scale in high-tech processing machines. Also only low technology machines are available in the knitting & garmenting sector.
8. It was further informed about some anomalies in customs and excise duties and incidence of absorbed taxes on the local made machines to the extent of 18 to 22% as against imported machines which have no such taxes. A level playing field was sought for textile machinery by way of duty free import of components, streamlining of duties & taxes, discouraging import of second hand machines, through pro-active FDI policies, etc. for which DHI will look into the matter. TMMA & ITAMMA to send specific proposals to DHI in this regards.
9. Mr. Prashant Gandhi, Past Chairman ITAMMA suggested that a five year programme may be taken up to take the industry to next level. The National Institute of Design (NID) which

has centres in Ahmedabad, Bangaluru, New Delhi could be considered for conducting Design Workshops, Design Audit of individual units and Strategic Design Management Audit including Ergonomic Study / Design Competition.

10. Mr. Gandhi further opined that for technology development, DHI may help for some 8 to 10 specific R&D projects by contracting them to research institutes like ATIRA, SITRA, DKTE and BITRA. He sought strengthening of the existing R&D centre at IIT, Mumbai and specific projects like reverse engineering can be assigned to Institutes like NID, PSG College of Engineering with time bound manner. Technology so developed could be disseminated to the industry widely. He further opined that there is an urgent need for financial support for creation of common facility centres (CFC) which would focus on production technologies, reverse engineering, testing, market development, etc. at textile hubs like Coimbatore, Ahmedabad, Surat, Ludhiana, Panipat and Surendranagar.

11. It was suggested that Government may make available a corpus fund to create a group of about 200 technologists of different fields such as spinning, weaving, processing, technical textiles, garmenting and knitting. SPV may run the same with financial assistance from the Government. He also sought financial assistance for development of machines and components required for manufacture of specific technical textile products which are of relevance to India and the projects to develop cost effective machines could be given to institutes like MANTRA, etc. Similarly the development plan may be worked out for garmenting, knitting and ginning machinery which are not manufactured locally. TMMA & ITAMMA were requested to bring out specific proposals on above mentioned issues for further consideration.

12. Mr. Anirudh Kajaria from M/s. Lagan Engineering Co. informed that jute machinery sector has been hit by recession and some initiatives have been taken to start new units. It was also informed that TUFs of Ministry of Textile is ending in 2012. With the funding from the Ministry of Textiles through the Jute Commissioner's office, a centre for development of jute machinery has been established and the development of some machinery is already under progress. He suggested that similar approach could be taken by the DHI for development of textile as well as jute machinery. In this connection, the detailed proposal may be prepared by TMMA.

13. Mr. D.K.Nair of Confederation of Indian Textile Industry (CITI) and Dr. K. Selvaraju of South India Mills Association (SIMA) mentioned that present level of skill in textile industry is the same as was available 20 years back. To a query from the Chair about skill gap analysis it was pointed out that CRISIL has done some work in this field. The Chairman desired that the detailed write up on skill gap analysis by the year 2020 may be furnished to the Department by TMMA, ITAMMA, CITI and SIMA for consideration.

14. Regarding condition of handlooms used at small towns & villages, which was discussed at length, it was agreed that these handloom machines need automation system to enhance the productivity in the areas of dyeing, take-up motor, jacquard design weaving, warping, etc. where large work force is employed. TMMA & ITAMMA may come out with more details on this.

15. Dr. Satyanarayana Dash, Secretary, DHI and Chairman of the reconstituted Development Council of Textile Machinery Industry thanked the members and invitees for taking active participation in the deliberations.

Meeting ended with a vote of thanks to the Chair.

ANNEXURE -I**List of participants attended the First Meeting of Reconstituted Development Council for Textile Machinery Industry held on 24.02.2010 (Room No.172 - Koustubham) Udyog Bhavan New Delhi**

S. No.	Name & Designation
1.	Dr. Satyanarayan Dash, Secretary, Department of Heavy Industry – In Chair
2.	Shri Harbhajan Singh, Joint Secretary, DHI – Member Secretary
	Members/Representatives of Members:
3.	Mr. A. Komu, Addl. DGFT, Directorate General of Foreign Trade
4.	Mr. R.K. Kapoor, CGM, Industrial Development Bank of India (IDBI)
5.	Mr. Anuj Bhagwati, Chairman, Textile Machinery Manufacturers Association (TMMA)
6.	Mr. Amit K. Shah, President, Indian Textile Accessories & Machinery Manufacturers Association (ITAMMA)
7.	Mr. Anirudh Kajaria, Managing Director, M/s Lagan Engineering Co. Pvt. Ltd.
8.	Mr. Prakash Bhagwati, Chairman, M/s Engineering Pvt. Ltd.
9.	Mr. T. Parabrahman, Managing Director, M/s Kirloskar Toyoda Textile Machinery Pvt. Ltd.
10.	Mr. R.S. Bachkaniwala, Technical Director, M/s Ambica Textile Engineers
11.	Mr. Prashant R. Gandhi, Partner, M/s Samruddhi Engineering
12.	Mr. D.K. Nair, Secretary General, Confederation of Indian Textile Industry (CITI)
13.	Dr. K. Selvaraju, Secretary General, South Indian Mills Association (SIMA)
	Other Participants:
14.	Mr. K.D. Ailani, AGM Industrial Development Bank of India (IDBI)
15.	Mr. S. Chakraborty, Secretary Textile Machinery Manufacturers Association (TMMA)
	Participants from Department of Heavy Industry:
16.	Mr. Ved Prakash, Director
17.	Mr. Sushil Lakra, Industrial Adviser
18.	Mr. N.L. Goswami, SrDO
19.	Mr. B.L. Kureel, Under Secretary

Annexure II**Action Points arising out of the First Meeting of reconstituted Development Council for Textile Machinery Industry held on 24TH February 2010 at 2 PM in the Udyog Bhawan, New Delhi-110 011.**

All the members of the Council are requested to come out with suitable strategies and proposals and prepare action plans which would help in tackling challenges and issues such as gap in technology as many machines are produced with age old technology, lack of R&D initiatives and design & engineering facilities with inadequate investment, non availability of skilled manpower, competition from import of obsolete and cheap second hand machinery under TUFS, how to increase in the market share globally, etc.

(Action: All members and TMMA)

2. Government has already provided a much needed platform and scheme in the enhancement of competitiveness in the capital goods sector which includes machine tools sector also. With a view to prepare a scheme of machinery manufacturers on friendly and self sustainable basis, TMMA to submit comprehensive proposals for setting up Common Facility Centres, Capacity Building Support (business development services, market development support, skill development support), Development of Integrated Cluster Parks, Support to R&D projects, etc.

(Action: TMMA)

3. It was learnt that there are about 6 to 7 manufacturers in the world manufacturing weaving machines and they have already set up units in China. A large number of benefits are available to the Chinese manufacturers for exporting their looms to India whereas there is no existence of global players in India. TMMA may prepare detailed paper on how to attract FDI in the form of JVs to manufacture these machines locally so as to meet the requirements in the country itself.

(Action: TMMA)

4. It was suggested by the member that a specified fund may be made available to a nodal technical institute to execute a common design for a modern rapier, air jet and water jet looms. These designs can be made available to all the manufacturers. In this connection, a comprehensive plan may be prepared and submitted.

(Action: Mr. R.S. Bachkaniwala & TMMA)

5. It was informed that because of decentralised nature of textile processing sector, it is yet to reach economy of scale in high-tech processing machines. Also only low technology machines are available in the knitting & garmenting sector. A detailed write-up justifying the economy of scale in high-tech processing machines as well as possibility of formation of JVs for these machineries may be submitted.

(Action: TMMA & ITAMMA)

6. It was further informed about some anomalies in customs and excise duties and incidence of absorbed taxes on the local made machines to the extent of 18 to 22% as against imported machines which have no such taxes. A level playing field was sought for textile machinery by way of duty free import of components, streamlining of duties & taxes, discouraging import of second hand machines, through pro-active FDI policies, etc. for which DHI will look into the matter. TMMA & ITAMMA to send specific proposals to DHI in this regards.

(Action: TMMA & ITAMMA)

7. A member suggested that a five year programme may be taken up to take the industry to next level. The National Institute of Design (NID) which has centres in Ahmedabad, Bangaluru, New Delhi could be considered for conducting Design Workshops, Design Audit of individual

units and Strategic Design Management Audit including Ergonomic Study / Design Competition. A comprehensive proposal is required to be submitted for consideration.

(Action: TMMA & ITAMMA)

8. It was opined that for technology development, DHI may help for some 8 to 10 specific R&D projects by contracting them to research institutes like ATIRA, SITRA, DKTE and BITRA in addition to strengthening of the existing R&D centre at IIT, Mumbai and specific projects like reverse engineering can be assigned to Institutes like NID, PSG College of Engineering with time bound manner. A detailed proposal is required to be submitted for consideration.

(Action: TMMA & ITAMMA)

9. It was felt that there is an urgent need for financial support for creation of common facility centres (CFCs) which would focus on production technologies, reverse engineering, testing, market development, etc. at textile hubs like Coimbatore, Ahmedabad, Surat, Ludhiana, Panipat and Surendranagar. A comprehensive proposal is required to be submitted for consideration.

(Action: TMMA & ITAMMA)

10. It was suggested that Government may make available a corpus fund to create a group of about 200 technologists of different fields such as spinning, weaving, processing, technical textiles, garmenting and knitting. SPV may run the same with financial assistance from the Government. A comprehensive proposal is required to be submitted for consideration.

(Action: TMMA & ITAMMA)

11. It is sought financial assistance for development of machines and components required for manufacture of specific technical textile products which are of relevance to India and the projects to develop cost effective machines could be given to institutes like MANTRA, etc. A comprehensive proposal is required to be submitted for consideration.

(Action: TMMA & ITAMMA)

12. The development plan needs to be worked out for garmenting, knitting and ginning machinery which are not manufactured locally. TMMA & ITAMMA were requested to bring out specific proposals on above issue for further consideration.

(Action: TMMA & ITAMMA)

12. It was suggested that there is a need to develop jute machinery as the sector has been hit by recession. It was pointed out that with the funding from the Ministry of Textiles through the Jute Commissioner's Office; a centre for development of jute machinery has been established. DHI may take similar approach for development of textile as well as jute machinery. In this connection, the detailed proposal may be prepared by TMMA.

(Action: TMMA & Mr. Anirudh Kajaria)

13. Mr. D.K.Nair of Confederation of Indian Textile Industry (CITI) and Dr. K. Selvaraju of South India Mills Association (SIMA) mentioned that present level of skill in textile industry is the same as was available 20 years back. To a query from the Chair about skill gap analysis it was pointed out that CRISIL has done some work in this field. The Chairman desired that the detailed write up on skill gap analysis by the year 2020 may be furnished to the Department by TMMA, ITAMMA, CITI and SIMA for consideration.

(Action: TMMA, ITAMMA, CITI & SIMA)

14. Regarding condition of handlooms used at small towns & villages, which was discussed at length, it was agreed that these handloom machines need automation system to enhance the productivity in the areas of dyeing, take-up motor, jacquard design weaving, warping, etc. where large work force is employed. TMMA & ITAMMA may come out with more details on this.

(Action: TMMA, ITAMMA, CITI & SIMA)
