

**Minutes of the 43<sup>rd</sup> meeting of the Internal Technical Committee under Amended Technology Up gradation Fund Scheme (ATUFS) held on 26.05.2022 at 02.30 P.M**

The 43<sup>rd</sup> meeting of the Internal Technical Committee under Amended Technology Up gradation Fund Scheme (ATUFS) was convened on 26.05.2022 from 02:30PM onwards under the Chairmanship of Shri S. P. Verma, Additional Textile Commissioner in the Conference Hall of the Office of the Textile Commissioner. The list of participants is attached as Annexure-I. The agenda points, which were discussed and decisions taken thereof are as under:-

**Agenda No. 1: Verification and recommendation of proposals for enlistment of Machinery Manufacturers under ATUFS as per Para no. of 3.4 of Revised Resolution of ATUFS dated 02.08.2018 and subsequent order No. 6/5/2015-TUFS dated 06.08.2019.**

The list of 10 proposals (Abroad -4, Indigenous -5 {5-Video Conference}, Authorized Agent -1, received from Textile Machine Manufacturers/Authorized Agents for enlistment under ATUFS were scrutinized by the Internal Technical Committee. Out of the said 10 proposals, 6 proposals (Abroad- 4, Indigenous- 1 {1-Video Conference, } and 1 Authorized Agents) were recommended to the Textile Commissioner for her approval to upload the same on website of the Textile Commissioners Office (Attached herewith as Annexure-II). In respect of 3 indigenous manufacturer (V.C.) the cases were deferred for getting confirmation of UID details from ATUFS Section and 1 indigenous manufacturer (V.C.) was not recommended as the manufacturer was not having sufficient infrastructure facilities for manufacturing of textile machinery.

**Agenda Point No-02: Case of Label weaving machine supplied by MEI International S.R.L, Italy: -**

M/s MEI International SRL has requested to amend certain conditions laid down for enlistment (MEI Label Weaving Machines as a machine type) in A-TUFS.

**Decision taken in 18<sup>th</sup> TAMC dated 09.10.2020:** The matter was placed and decided in 18th meeting of TAMC to consider the MEI Label Weaving Machines as a main machine, since it is used for manufacturing of labels for fixing on the garments / Made ups subject to the following conditions:

- i. The unit should submit the original invoice of shuttle less loom manufacturer addressed to M/s. MEI International along with the shipping documents. (Packing List /Bill of Lading /Bill of Entry / Country of Origin)
- ii. The date of invoice of the Shuttle less Loom should not be more than 6 months older than the invoice of M/s. MEI International.
- iii. The machine should fulfill the speed criteria of concerned shuttle less loom as per ATUFS guidelines.
- iv. Eligibility of machine shall be allowed hence forth (prospectively).

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- v. Only 20% value addition on base price of loom with Dobby / Jacquard will be considered for eligible subsidy

**Decision taken in 19<sup>th</sup> TAMC meeting dated 23.12.2020** -The Committee opined that this issue needs more deliberations to understand the practical difficulties in considering the request of the machine manufacturer and since this machine is required to support garment /made-ups manufactures and home textiles manufacturers to fulfill their demands of labels as it has unique value addition by modification of a shuttle less loom with jacquard to manufacture woven labels. Therefore, Textile Commissioner may decide the issue after due consultations with the machine manufacture and Chairman, AEPC etc. for consideration of eligible subsidy subject to conditions met from (i) to (v) as below: -

- i. The unit should submit the original invoice of shuttleless loom manufacturer addressed to M/s. MEI International along with the shipping documents. (Packing List /Bill of Lading /Bill of Entry / Country of Origin)
- ii. The date of invoice of the Shuttle less Loom should not be more than 6 months older than the invoice of M/s. MEI International.
- iii. The machine should fulfill the speed criteria of concerned shuttle less loom as per ATUFS guidelines.
- iv. Eligibility of machine shall be allowed hence forth (prospectively).
- v. Only 20% value addition on base price of loom with Dobby / Jacquard will be considered for eligible subsidy.

Now the Company has again represented that they are willing to provide the following documents in lieu of original invoice of their shuttle less looms.

1. Declaration from MEI International disclosing the serial no. of loom and Date of Manufacturing inscribed in the loom and also in a separate note of declaration.
2. Documents addressed to MEI International by the Shuttle less loom manufacturers
  - a. Declaration for serial no. and Date of loom delivered.
  - b. Packing list / delivery note/ bill of lading/bill of entry /country of origin as it may be applicable

They have also informed that all other terms and conditions will gracefully be adhered by them and they will be very grateful if the clause regarding invoice requirement is waived off.

**Decision Taken in 18<sup>th</sup> ITC meeting dated 26.02.2021:** As a trade practice if M/s. MEI International is purchasing the looms in bulk quantity, they cannot disclose their price. However, as decided earlier by the ITC we have to consider 20% additional cost on the basic price of the looms with jacquard. Hence, cost of loom with jacquard will be required to work out 20% additional cost in the form of value addition by MEI International. M/s. MEI International has now proposed to submit the bill of lading/bill of entry addressed to them by the loom manufacturer and the bill of entry is having the details regarding number of machines and value of the machines imported, hence, the cost may be worked out easily even though they are not providing invoice of the loom manufacturer to them.

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In view of the above, the committee agreed to consider their proposal, however as decided by the 19<sup>th</sup> TAMC the Textile Commissioner may take final view on this matter.

The matter was taken up in 21<sup>st</sup> TAMC held on 02.03.2021 and decision is reproduced:

**Decision taken in 21<sup>st</sup> TAMC Meeting dated 02.03.2021** : The TAMC decided that it is a unique and an essential machine for preparing woven labels which are required by apparel industry and there is only one manufacturer available, hence, we need to look at specific arrangements to enable access to their technology and also for the arrangement of doing value addition by MEI International on the shuttleless looms with jacquard. To facilitate said unique technology as required by industry, we have to accept the invoice of MEI International for said machine though machine indicates machines plates of MEI International as well as shuttleless manufacturer. The value addition will be restricted to 20% of the basic cost of shuttleless loom with jacquard as recommended by ITC. Such arrangement in this case is recommended by TAMC for consideration by MOT/IMSC since machine used for manufacturing of woven labels which are categories as technical textiles (Cloth-Tech).

The matter was taken up in 5th IMSC meeting held on 22.10.2021 and decision is reproduced:

**Decision of 5th IMSC dated 22.10.2021:** IMSC decided to allow proprietary of Label weaving machine.

Now, MEI INTERNATIONAL SRL vide email dated 10.02.2022 have submitted the supplier declaration format for their customers in India.

Further, MEI has requested to consider the following documents as per direction of TAMC regarding components purchased from sub suppliers:

The Transport inside European community and several other participating countries is ruled by the Convention on the Contract for the International Carriage Goods by Road (CMR) ( [http://www.unece.org/trans/conventn/legalinst\\_25\\_OLIRT\\_CMRT.htm](http://www.unece.org/trans/conventn/legalinst_25_OLIRT_CMRT.htm) ) from the UNECE United Nations Economic Commission for Europe.

- The CMR is the document to identify the goods and movement in place of bill of entry or bill of lading. In conformity with this Regulations MEI INTERNATIONAL SRL receives all goods from their European suppliers with “CMR” and can supply this as evidence to identify the goods and date of delivery.

- For supplies outside the European community, like the TOYOTA AIRJET LOOM, MEI INTERNATIONAL SRL will provide the related BOL.

Moreover, MEI has declared that independent from the loom producer, the basic loom configuration by suppliers are specific versions for Woven Label Machines which are not able to weave without the application of MEI INTERNATIONAL SRL.

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**Decision taken in 37<sup>th</sup> ITC dated 24.02.2022:** The committee recommended adhering to the decision taken in previous ITC/ TAMC/IMSC meeting and unit should submit the requisite documents as per their earlier submission made vide letter dt.7/12/2020. In the event they are unable to submit the details due to any Non-disclosure Agreement with the manufacturers, they may be requested to submit a copy of the same in order to consider their request.

**Section note:** As per the decision of 37<sup>th</sup> ITC held on 24.02.2022, TMMA submitted a copy confidential costing document which indicates basic cost of the rapier loom specially preset for label application. However, cost of jacquard and Dobby is yet not available.

The cost of the rapier loom as per their prerequisite specifications is 51,800 Euro/loom.

**Decision Taken in 41<sup>st</sup> ITC dated 27.04.2022:** The committee decided to get the price details of Airjet and Rapier Looms of Dornier make also and Airjet Loom of ITEMA make to derive the eligible subsidy amount after considering 20% value addition cost supplied by MEI. Accordingly, the committee requested the representative of TMMA to submit the said details also. Further it was also decided to call for the details of the average cost of electronic jacquard and dobbie from ATUFS Section.

**Section note :** Now, TMMA submitted the cost of DORNIER make Airjet loom having reed drawing width of max.190 cm and prerequisite specifications suitable for electronic jacquard.

From the submitted documents the total cost of 10 looms including weaving accessories and tools (required for installation) is 1147802 Euro. Hence cost per loom is 114780.2 Euro. In addition to that cost of Syncro drive system is 6004 Euro/loom.

The cost of single Airjet loom with Syncro drive system is 120784.2 Euro/loom.

ATUFS section replied to the note vide email dated 11.05.2022 and informed that "price bifurcation is not available with this section for the looms with label weaving attachment supplied by M/s. MEI International"

**Decision Taken in 42<sup>nd</sup> ITC meeting dated 12.05.2022:** The Committee decided to get the price details of standalone electronic jacquard and dobbie from ATUFS Section. The details of all such pending claims of M/s MEI International SRL along with price details and copy of invoice may also be called for from ATUFS Section to arrive at the average cost of the loom supplied by MEI International SRL. TMMA was also requested to re-confirm the price of DORNIER make Airjet loom as some of the committee members felt that the price quoted by TMMA is on the higher side.

Now TMMA submitted the clarification from the MEI stating that the prices are depend order quantities, specifications and current market scenario. Hence direct comparison is not providing correct output.

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In addition to that TMMA submitted the data available for arriving average price.

**Decision Taken** : - The committee decided to get additional specifications along with invoice copies of MEI cases from ATUFS section for further deliberation on this subject.

**Agenda Point No.3:** Enlistment of M/s. Stoll India Pvt. Ltd


ATUFS cell have vide their note dt. 08/09/2021 requested that the matter regarding enlistment of M/s. Stoll India Pvt. Ltd., Mumbai may be deliberated in the ITC first and the outcome of the decision may be communicated to them for placing before the TAMC.

M/s. Stoll India a subsidiary unit of M/s. H. Stoll Ag & Co KG, Germany, are importing the STOLL Computerized High Speed Fully Fashioned Flat Bed Knitting Garment Manufacturing Machines and stocking it at a Free Trade Warehousing Zone (FTWZ) located in Khurja They are functioning as an Authorized Selling Agent of M/s. H. Stoll Ag & Co KG which is a deemed foreign territory. They do not have any set up for production of Textile Machinery.

As FTWA is governed under the SEZ rules and enjoys all the benefits as that of an SEZ. Though an FTWZ is on the geographical territory of India it is deemed to be foreign territory and goods warehoused therein are deemed to be goods on foreign territory and as such they cannot be considered to be warehoused in a customs bonded warehouse.

The said matter was taken up in the 3<sup>rd</sup> ITC held on 29/11/2019, wherein it was decided to refer the matter to TAMC. The TAMC in its 15<sup>th</sup> meeting held on 2/1/2020 recommend that the matter may be decided in consultation with DGFT regarding selling of machines through SEZ. Accordingly, the matter was taken up with DGFT and DGFT Delhi have vide letter dt. 14/6/2021, informed that goods once cleared from SEZ (including FTWZ) to DTA, it is treated as import and place them equivalent to import in the country though the goods do not cross the physical boundary of the country.

**Decision taken in 28<sup>th</sup> ITC dated 12.10.2021:** After due deliberation in the matter, the committee opinioned that as per clarification provided by the DGFT, M/s. Stoll India Pvt. Ltd., Mumbai cannot be considered as a subsidiary unit or authorized selling agent of M/s. H. Stoll Ag & Co KG, Germany, since ATUFS guidelines doesn't allow stock sales. The Committee was appraised that earlier M/s. Stoll India Pvt. Ltd., Mumbai had submitted that they are also selling second hand/reconditioned machines also. Hence earlier their application was not considered for enlistment. The activities at SEZ are also not available. Hence no conclusion can be arrived. OIC ROTxC, Noida may be requested to verify and submit report whether based on their activities at SEZ, Khurja and agreement with M/s. H/Stoll Ag & Co. KG, Germany, can be considered under ATUFS as per prevailing provisions and guidelines.



**Section note:** Now, OIC RO Noida submitted physical verification report along with visit report of technical officer dated 08.02.2022 and documents submitted by unit as per decision of 28<sup>th</sup> ITC dated 12.10.2021. The consolidated report divided in three parts as follows

**a). Visit Report of technical officer dated 08.04.2022,**

- i. During visit Unit kept stock of 87 Flatbed Knitting Machines in which 11 machines were physically verified and confirmed as brand new. Photographs of machine and nameplate were enclosed. Remaining machines were packed in wooden cases. Out of 84 machines 19 machines from M/s. Stoll Knitting Machinery (Shanghai) Co. Ltd., 4 machines from M/s. H. Stoll-Germany and 64 machines from Karl Mayer China Ltd.
- ii. Activities carried out at the FTWZ ware house are governed by SEZ policy.

**b). Submission of unit M/s. Karl Mayer Stoll India Pvt. Ltd. (formerly known as M/s. Stoll India P. Ltd)**

- i. The Government of India under Chapter 7A under the FTP. 2004-2009 envisaged the Creation of Free Trade Warehousing Zones, a trade related infrastructure to facilitate the import and export of goods and services with a freedom to carry out trade transactions free currency under the special category of Special Economic Zones with a focus on trading and warehousing **(Chapter 7A of FTP attached for your reference)**
- ii. Under the SEZ Act. A Special Economic zone shall and on from the appointed day Deemed to be a territory outside the customs territory of India for the purposes of undertaking the authorized operations **(attached page no 35 of the SEZ Act wherein the SEZ s defined)** and also deemed to be a port, ICD, land station and land customs station for facilitating customs clearances with all types of licences like EPCG, SHIS. SFIS etc. All the transactions are done in foreign currency
- iii. A clarification dated July 2010 from Ministry of Commerce and industry that FTWZ can hold goods on behalf of foreign supplier and buyer and DTA supplier and buyer as we subject to the fulfilment of provisions

**Present Arrangement of Karl Mayer Stoll India with A Unit Holder of FTWZ**

- iv. In this regard to the present arrangement, **M/S. Buhariwala Logistics** is a unit holder of SEZ at Arshya Northern FTWZ Khurja and has entered into a service agreement with **M/s. Karl Mayer Stoll India Pvt. Ltd** which is a 100% subsidiary of Karl Mayer Group.
- v. Stoll India has entered into a service agreement for importing Stoll Flat Bed Knitting machines from the supplier and warehousing in FTWZ for supplying the machines to customers
- vi. Stoll Group had to warehouse and keep the machines in stock to cater to the demands of the customers in terms of quick delivery thereby reducing the lead time and help the customer in realizing timely production and export of products without any delay.
- vii. More over sales from FTWZ carries better legal weightage than a high-seas sale or a sale from a custom- bonded warehouse as it has the necessary legal provisions when compared to a sale done from High Seas which is more or less an incidental sale and does not even carry a semblance of relationship between a manufacturer / supplier and a customer promoting transfer of technology to Indian shores. Moreover, clearance from a FTWZ is an import purchase without any local taxes as FTWZ s deemed to be beyond customs frontiers with all local tax exempt. In view of the above, unit submitted following documents,

- 1) Share Purchase Agreement
- 2) Inventory details as 08.04.2022
- 3) invoice copies, COO and Bill of lading (sample copies)
- 4) Audited financial report and balance sheet,
- 5) Service agreement
- 6) Sales details Documents regarding FTWZ and SEZ policy

**c). Submission of OIC RO NOIDA**

- i. H. Stoll A.G & Co. A.G has transferred its share/merged to Karl Mayer, Germany and the new Indian entity Is named as Karl Mayer Stoll India P'vtLtd.
- ii. M/s Buhariwala Logistics is a unit holder of SEZ at Arshya Northern Free Trade warehousing Zone Limited, Khurja and has entered into a service agreement with Stoll India Pvt Ltd.
- iii. From the Bill of Lading, it is observed that the consignee is Buhariwala Logistics (unit holder).
- iv. From the documents submitted with the report, it is understood that company is stocking the machines in the warehouse to cater the demand of customers in terms of quick delivery. However, the machines are not imported in the name of textile unit to which it is sold, instead the consignee is the warehouse (M/s Buhariwala Logistics) where these machines are stored. The GR on ATUFS dated 02.08.2018 is silent on eligibility of subsidy for machines sold through such arrangement.
- v. Para 4.2.6 of GR on ATUFS dated 29.02.2016 states that "benefits will also be available in case new imported stitching machines required for garmenting/apparel/made-ups manufacturing is purchased from the authorised stockists, custom warehouse located within country". However, this clause was also dropped in revised G.R. dated 02.08.2018
- vi. The matter was discuss3ed in 3<sup>rd</sup> IMSC dated 17.02.2019 that the proposal relating to restoration of custom bonded warehouse to be examined in consultation with Department of Revenue. However, the outcome of this decision is not known to RO NOIDA.

Decision Taken in 42<sup>nd</sup> ITC meeting dated 12.05.2022: The matter was deferred due to paucity of time.

**Decision Taken :** The committee noted that as per Para 4.2.6 of GR on ATUFS dated 29.02.2016, custom warehouse sales and stock sales are allowed only for stitching machines required for garment/apparel/made-ups manufacturing. Further in the revised GR dated 02.08.2018 even this clause was dropped. Hence enlistment request of M/s. Stoll India Pvt. Ltd may not be considered as they are conducting business as stockist as per Physical verification report.

**Agenda Point No.4: Cases forwarded by ATUFS Cell**

1. The ATUFS Cell have vide email dt. 20/7/2021 requested to place this matter in forthcoming ITC where a manufacturer has two authorized agents (both enlisted) however machine supplied by one and shipped by another.




The details are as below: -

**1-Invoice issued by** –M/s Zee Yeng Company Ltd.

**2-MoU b/w Manufacturer and supplier** - M/s Zee Yeng Company Ltd is authorized agent of M/s Jiangsu Runshan Precision Machinery and Technology Co. Ltd China.

**3- Exporter name as per COO-** M/s Suzhou Flaming Company Ltd. China authorized agents of M/s Jiangsu Runshan Precision Machinery and Technology Co. Ltd China

**4- Name mentioned on machine-** M/s Runshan Knitting Machine

As per 3.2. of GR dated 29.02.2016 “Machinery purchased directly from the machine manufacturers or their authorized agents will be considered for benefits under the scheme”, and Para 3.3 of RR dated 02.08.2018 “Machinery purchased directly from the machine manufacturers or their authorized agents/suppliers will be eligible for capital subsidy under the scheme” while para 10.2.2. of RR dated 02.08.2018 “Only new machinery shall be installed Second had machinery will not be permitted under the scheme. Machine shall be purchased directly from the Original Equipment Manufacturer (OEM) or this authorized agent / Supplier. In the latter case, a document showing that the Agent / Supplier is authorized by the manufacturer shall be required with the invoice”. However the as per the document it is not justified that machine has been purchased as per para mentioned above in GR and RR.

Hence, the matter is placed for decision of acceptability of COO if different name is depicted other than supplier in issued invoice.

**Decision Taken in 22<sup>nd</sup> ITC held on 22.07.2021:** The Committee noted that this is not a technical issue. The Committee also noted that any name depicted in country of origin certificate, other than the manufacturer or authorized agent (who raised the invoice) should not be accepted. Still if the OEM confirm and submit reasonable justification for such arrangement, then ATUFS may decide issue based on genuineness of the certificate obtained by ATUFS Cell from OEM  
*Now, TUFS cell replied vide note dated 17.05.2022 along with letter from RO Ahmedabad in view of the above.*

**Submission of RO Ahmedabad:**

This office has received a representation from applicant unit for reconsideration of their claim and comments based on that representation as below.

a). As per para 3.3. RR dated 02.08.2018 the machinery purchased from authorized agents.

In this case, invoice has been issued by M/s Zee Yeng Company Limited. which is authorized agent of M/s Jiangsu Runshan Precision Machinery and Technology Co Ltd, China (Manufacturer Company) and enlisted at Sr no. 55 in annex V under ATUFS.

It is pertinent to state here that exporter name mentioned on COO is M/s Suzhou Flaming Company Limited is also authorized agent of M/s Jiangsu Runshan Precision Machinery and Technology Co. Ltd, China (Manufacturer Company) and enlisted at Sr no. 54 in annex V under ATUFS..

In view of the above, it is substantiated that claimed machines have been purchase through authorized agents as described in para 3.3 of RR dt. 02.08.2018.

b). As per para 10.2.2 of RR dated 02.08.2018 only new machinery shall be installed, Second machinery will not be permitted under the scheme

In this case machine Model no. and serial number are engraved on name plate and is legible in photographs submitted with JIT documents and confirmed by manufacturer. However registered trade mark/ registered Logo is also available on the machine which belongs to M/s Jiangsu Runshan Precision Machinery and Technology Co. Ltd, China (Manufacturer Company).

c). In support of their representation unit submitted below documents,

- i. Trademark logo registration certificate of Manufacturer Company with translation,
- ii. Declaration for confirming brand new machines and trade practice in china
- iii. Letter from beneficiary unit
- iv. Invoice copy and packing list
- v. COO
- vi. MOU and Role of agents

By observing all the documents submitted by applicant unit, the fact may be established that claimed machines are new brand and supplied by authorized agents as per para 10.2.2 of RR dt. 02.08.2018. Hence eligible for capital subsidy under ATUFS. Competent Authority may reconsider the case in view of facts explained above.

**Section Note :**

Certificate (Received from R.O, Ahmadabad) issued& signed by machinery manufacturer and two authorized agents on their letterhead is not available in this section records.

Both agents are enlisted in Annexure – V under ATUFS as authorized agents with similar commission percentage of 0.5%.

It is observed from submitted documents that name mentioned in invoice & packing list as M/s Zee Yeng Company Limited and COO issued by M /s Suzhou Flaming Company Limited. Since only Chinese company can issue COO hence M /s Suzhou Flaming Company Limited issued COO being authorized agent within China.



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**Decision Taken** : The matter related to COO doesn't fall under the purview of ITC as it is not a technical matter. It is a policy decision; hence ATUFS section may take suitable decision in this matter as per direction of 27<sup>th</sup> TAMC dated 13.04.2022.

**2. Consideration of Logo and name of the brand found on machine plate in absence of name of machine manufacturer under ATUFS.**

As per decision of 15<sup>th</sup> TAMC agenda no. 5, manufacturer should submit a note detailing their branding exercise marketing practices and share their authentic logo. ITC may take view on case to case basis considering the explanation submitted by the manufacturer. TUFS Cell has place two cases i.e. M/S Qingdao Jinsanyang Textile Machinery Co. Ltd, China (Logo—"JSY" ) and M/s PTMT Srl (Brand name "PANTER") .

**Decision Taken in 10<sup>th</sup> ITC dated 18.09.2020:** Detailed note to be provided by machine manufacturers for their branding exercise marketing practices, are not submitted, Even their Brand name and logo are not mentioned in Commercial Invoices. Hence ITC has not considered the proposal.

Now ATUFS section submitted the below documents in support of the claim

- i. Trade mark certificate issued by Trademarks Registry, Mumbai,
- ii. Extract page from Intellectual property India ( Govt. website),
- iii. Commercial invoice and proforma
- iv. Machine name plate photo,

In addition to that manufacturer declaration also attached which is available in this section records.

**Section note:** The logo is matching in all the documents (Proforma, Nameplate & declaration) submitted above. it was also noted that the logo in the trademark certificate is not identical to the trademark on the proforma invoice and machine name plate

**Decision Taken** : The committee verified the documents submitted by ATUFS cell i.e. Trademark certificate, Commercial Invoice, Machine name plate photo and Proforma invoice. It is noted that the brand name and logo is not available in commercial invoice as manufacturer does not use its own brand on their document. Hence the committee did not recommend the case.

**3. TUFS Cell has vided Note dt. 23/05/2022 forwarded the case of M/s. MS Printing Solutions, Italy who issued COO for their Digital Inkjet Printing machines along with Self declaration. The certificates of origin for the said machines were issued by the Manufacturer himself.**

TMB/TDS section had requested the unit to clarify the Rule position / policy of the exporting country and the competent authority which authorizes the manufacturer to issue such self certified COO as per 23<sup>rd</sup> TAMC held on 30.08.2021.

The Manufacture has submitted documents in reference to the email query. Accordingly as decided in the 24<sup>th</sup> TAMC held on 20.10.2021 the matter is placed before the ITC for a decision in the matter.

**Decision Taken : The matter related to COO doesn't fall under the purview of ITC as it is not a technical matter. It is a policy decision; hence ATUFS section may take suitable decision in this matter as per direction of 27<sup>th</sup> TAMC dated 13.04.2022**

**Agenda Point No-05: Inclusion of Pad Printing Machine under ATUFS.**

M/s. Arka International has applied for enlistment of their manufacturing company M/s. Inkcups, USA under ATUFS. The machinery manufacturer has claimed the manufacturing of the machine listed at MC-2-40. However, the machinery description as per undertaking is "PLC controlled fully automatic Pad Printing machine with pneumatic blanket control" whereas as per this office GR the description is "PLC controlled fully automatic flat bed printing machine with pneumatic blanket control". The unit has further informed that the Pad Printing machine is an alternative system for heat transfer label printing for Textiles / Garment Manufacture. The case is placed before ITC to decide on the eligibility of the said machines under ATUFS. The matter was placed in the 23<sup>rd</sup> ITC meeting held on 29.07.2021 and the decision taken therein is reproduced below:

**Decision Taken in the 23<sup>rd</sup> ITC meeting held on 29/7/2021** : The Committee opined that Computerized Label Printing Machine is already covered under ATUFS at MC-4-48, hence manufacturer may be asked to confirm the same and if agreed, then revised undertaking may be submitted by them for considering of their request for enlistment under ATUFS.

Accordingly, this office had vide email dt. 10/08/2021 requested the unit to confirm whether their machine is Computer PLC controlled. The unit have vide email dt. 11/08/2021 confirmed that their machine is a pneumatic label printing machine with control panel board and there is no computer inside the machine. As such the following decision was taken in the 24<sup>th</sup> ITC held on 12.08.2021.

**Decision Taken in the 24<sup>th</sup> ITC meeting held on 12.08.2021** : As the machinery manufacturer has not submitted proper clarification and undertaking, hence in absence of proper documents, committee has asked that after submission of proper documents, the case to be placed before the committee for consideration.

Now M/s. Arka International has vide letter dt. 18/11/2021 once again requested to include their pad printing machine under ATUFS.

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**Decision Taken in 32<sup>nd</sup> ITC meeting held on 09-12-2021 :** The committee has authorized Jt.Tx.C. (Shri V.K.Kohli) to contact the supplier and explain to him the requirement of this office for getting their pad printing machine enlisted under ATUFS.

M/s. Arka International has informed that their machine is a pneumatic label printing machine with control panel board and there is no compute inside the machine. As such, they requested to include PLC controlled Fully Automatic Pad Printing Machine as eligible machinery under ATUFS.

**Decision Taken in 38<sup>th</sup> ITC held on 10-03-2022 :** The Committee has reviewed the matter, as the machinery manufacturer has not submitted proper clarification, hence in absence of proper documents, Committee is not agreed to allow the machine like PLC controlled Fully Automatic Pad Printing Machine as eligible machinery under ATUFS.

As per discussion the unit was reproached for clarification on technology advancement in the machine wherein unit has submitted below details:

- 1)- The Machine is not equipped with PLC/Computer
- 2)- Different from Label printing as there is no fusion, , sticker and curing involved in process.
- 3)- The machine is fully automatic and do not involve manual application except cloth place-in and out while printing.
- 4)- The Pad Printing Engineering (HK) is the competitor company who producing same machines..

**Decision Taken in 40 ITC meeting on 12.04.2022 :**Mr. Sunder the representative of M/s. Arka International had attended the ITC meeting via video conference, wherein he reiterated that their machine is not having (Programmable Logic Controller)PLC. As Mr. Sunder was unable to clarify the raised by the committee members, the ITC decided to ask the OIC of R.O. Coimbatore to visit the factory premises where these pad printing machines are installed and get the details of its technology and working, including whether the pad printing machine is equipped with a control panel or higher version of technology which is permitted under ATUFS. RO CBE should submit their report within a month time i.e. on or before 18.05.2022

Now RO CBE submitted the visit report, Operation & Principle of machine working, technical specifications of the machines, supporting documents along with OIC recommendation.

Technical team from RO CBE visited the office M/s. ARKA International, Tirupur (Sole agent of M/s. INK Cups Corporation, Newyork) and subsequently visited M/s. Reia Fashions, Tirupur arranged by sole agent to ascertain the machinery and actual capacity.

**Observation and comments as follow:**

- i. The process of pad printing machine is not PLC based or higher version of technology. It is working on only Pneumatic pressure manually controlled by valves.
- ii. It has pneumatically operated cylinder/piston for movement operations with manual feeding of garments by operator. Its working principle is simple like putting a stamp on envelope.

iii. It can be operated manually by operator through pedal for pneumatic operations cylinder. It has very minimal power consumption used for production counter and some basic operation. It can be operated without power also.

iv. Due to inherent advantages of higher productivity and less time consuming process this method undoubtedly achieve greater importance in the coming years though they have some limitation of printing dark shaded garments and material cost compared to thermal sticking transfer method.

In view of the above the visiting technical team and OIC recommends including this as new eligible machinery as “Pneumatically Operated Tagless Printing Machine for Garments and Garments panel only “under ATUFS.

**Decision Taken** : The committee examined the physical verification report and noted that machine is not equipped with any PLC/benchmark technology. Hence the committee did not consider the request of inclusion of pad printing machine under ATUFS.

\*\*\*Meeting ended with vote of thanks to the chair\*\*\*

## List of Video Conference of Machine Manufacturers placed before 43th Internal Technical Committee

Sr. No.	File no.	Name of the unit	Indigenous	Certificate of incorporation	Udyog Aadhar	Ack from DIC	Undertaking	Valid I.S.O	Sales figure	Eligible Textile Machine covered under which annexure of ATUFS	ISO Verification	In which ITC referred to call for Representation	Technical Committee Decision
1	S-247	M/s. Singla Engineering Phoosgarh Road, Karnar - 132 001, Haryana	Indigenous	-	Udyam Certificate	-	Yes	Yes	Yes	MC-2-8	Verified	All documents are in line. Hence, it may be considered	Deferred for confirmation of UID from ATUFS Section
2	N-43	M/s. Nirtech Pvt Ltd Gala No.2, Building No. A2, Ground Floor, Jai Ambe Industrial Estate, Pimplas Village, Bhiwandi - 421 311, Dist. Thane	Indigenous	-	Udyam Certificate	-	Yes	Yes	Yes	MC-2-9	Verified	All documents are in line. Hence, it may be considered	Recommended
3	S-243	M/s. Sashwat Shutteless Looms Works No.251/1, Thottasalai Street, Solakkattupalayam, Coimbatore -641 659, Tamil Nadu	Indigenous	-	Udyog Aadhar	-	Yes	Yes	Yes	MC-1-A-3 (i & ii )	Verified	All documents are in line. Hence, it may be considered	Deferred for confirmation of UID from ATUFS Section
4	S-246	M/s. Shree Ganesh Engineering Works 1 to 20, Hari Om Industry, Near Durga Polyester Mill, Opp. Sahyog Hotel, Kadodara Bardoli Road, Surat -394 327	Indigenous	-	Udyam Certificate	-	Yes	Yes	Yes	MC-2-9, MC-2-24, MC- 2-41, MC-2-42, MC-2- 57, MC-2-59, MC-2-73, MC-2-75, MC-1-B-2, MC-1-B-3	Verified	All documents are in line. Hence, it may be considered	Deferred for confirmation of UID from ATUFS Section
5	J-53	Jay-Tex Engineers 56, Abhishek Ind. Estate, Girnar Scooter Compound, B/h Sabarii Restaurant, Odhav Ring Road, Ahmedabad - 382 415	Indigenous	-	Udyam Certificate	-	Yes	Yes	Yes	MC-2-3,MC-2-4,MC-2- 5,MC-2-6,MC-6-C-k, l, m, w, MC-7-15,MC-7- 24	Verified	As per 42th ITC decided that deferred,as the manufacture has only shown assembly unit and not the manufacturing unit.	Not Recommended as insufficient infrastructure noticed during the VC

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N.K. Singh  
Assistant Director

Sahin Kumar  
26/05/2022

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26/05/2022  
[Humayun.k.]

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26/05/22  
SH Singh  
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List of Machine Manufacturers placed before 43th Internal Technical Committee

Sl. no.	File no.	Name of the unit	Abroad	Embassy Certificate	BUSINESS LICENCE	Undertaking	Valid I.S.O/C E self declaration	Sales figure	Eligible Textile Machine covered under which annexure of ATUFS	ISO Verification	Whether as per direction of 18th TAMC, i.e., Embassy Certificate was routed through MoFA of concern country?		Remark	Technical Committee Decision
1	Z-73	M/s. Zhejiang Jianda Machinery Co, Ltd., China	Abroad	Yes	Yes	Yes	Yes	Yes	MC-3-h-14	Verified	Yes	Ministry of External Affairs, Republic of China has certified the Business Licence of the applicant machine manufacturer, which is seen by Consulate General of India, Shanghai. The 18th TAMC has decided to consider such documents..	All documents are in line. Hence, it may be considered	Recommended
2	C-58	M/s.Changshu Sail Nonwoven Machine Co, Ltd., China	Abroad	Yes	Yes	Yes	Yes	Yes	MC-3-g-vi, MC-3-g-vii	Verified	Yes	Ministry of External Affairs, Republic of China has certified the Business Licence of the applicant machine manufacturer, which is seen by Consulate General of India, Shanghai. The 18th TAMC has decided to consider such documents..	All documents are in line. Hence, it may be considered	Recommended
3	I-39	M/s. Ien Industrie S.p.a., Italy	Abroad	Yes	Yes	Yes	CE	Yes	MC-4-69, MC-4-68, MC-4-88, MC-4-89, MC-4-92, MC-4-93, MC-4-109	CE	Yes	Embassy of India, Rome has certified that the applicant is a textile machinery manufacturer. ITC may take a view on consideration.	All documents are in line. Hence, it may be considered	Recommended
4	C-64	M/s Can Makina Sanayi Ve Dis Ticaret Limited Strketi., Istanbul, Turkey	Abroad	Yes	Yes	Yes	CE	Yes	MC-4-1, MC-4-3, MC-4-21	CE	Yes	Turkish Consulate General in Mumbai has certified that the applicant is a textile machinery manufacturer. ITC may take a view on consideration.	All documents are in line. Hence, it may be considered	Recommended

NR Singh  
Assistant Director

Sachin Kumar  
26/05/2022

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**List Agents for Machine Manufacturers placed before 43th Internal Technical Committee**

Sl no.	File no.	Name of the authorized agent and its Parent machine manufacturer	Indigenous/ Abroad	MoU for Subsidiary unit /Authorised Agent with % of commission	Remark	Technical Committee Decision
1	Z-67	M/s. Liberty Embro Exim Pvt, Ltd., Surat (Auth. Agent of M/s. Zhejiang Xinsheng Technology Corp., Ltd. China)	Indigenous	Yes 2% To 4%	Parent Unit enlisted at Sr.No.377 Annexure-III	Recommended

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NK Singh  
Assistant Director

Sachin Kumar  
26/05/2022

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SK Singh  
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