

**Minutes of the 48<sup>th</sup> meeting of the Internal Technical Committee under Amended Technology Up gradation Fund Scheme (ATUFS) held on 11.08.2022.**

The 48<sup>th</sup> meeting of the Internal Technical Committee (ITC) under Amended Technology Up-gradation Fund Scheme (ATUFS) was convened on 11.08.2022 from 11.30 A.M onwards, under the Chairmanship of Shri S.P.Verma, Additional Textile Commissioner in the conference hall of the Office of the Textile Commissioner, Mumbai. The list of participants is attached as Annexure-I. The agenda points, which were discussed and decisions taken thereof are as under:-

**Agenda Point 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 5 proposals (Abroad -03, Indigenous -01 {01 -Video Conference}, Authorized Agent -01) received from Textile Machine Manufacturers/Authorized Agents for enlistment under ATUFS, were scrutinized by the Internal Technical Committee. Out of the said 5 proposals, 3 proposals (Abroad-2 and Authorized Agents-1) 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). The one abroad manufacturer it has been decided to verify the authenticity of the manufacturer from the Indian Embassy in China and the committee did not recommended on indigenous manufacturer as the machines manufactured were not of TUFS benchmarked technology as per the technical literature.

**Agenda Point no. 2: Cases forwarded by RO Indore**

RO Indore forwarded email dated 02.08.2022 with respect to M/s. RD Weave Tex Pvt. Ltd., Surat regarding manufacturer name M/s. Qingdao Haijia machinery Company Limited, China is not available in the machine name plate and only logo is available. In this regard RO Indore submitted below documents,

- i. Trade mark certificate issued by Trademarks Registry, Mumbai,
- ii. Manufacturer Declaration
- iii. Commercial invoice
- iv. Machine name plate photo

As per the Manufacturer declaration, logo in the name plate is their authentic logo and registered with Trademarks Registry, Mumbai vide registration certificate with trade mark no. 2974075 date 28.05.2015. Further the manufacturer changed logo and registered again with Trademarks Registry, Mumbai vide registration certificate with trade mark no. 3326414 date 02.08.2016. This logo they are using in documents from 2017 to present in their letterhead.

Section Note : Logo in the name plate is available in the old documents submitted by manufacturer in the year of 2016. In reference to the website of the manufacturer (<http://www.qdhajjia.com>) both the logo's are reflecting in their website and stated that they are having total of 12 registered trademarks (7 domestic and 5 International). However in the commercial invoice issued by them there is no logo mentioned.

**Decision Taken** : - The committee after scrutinizing the documents observed that both the logos are not appearing in the Commercial Invoice issued by the Manufacturer and as such did not consider the request of the unit.

**Agenda Point no. 3:** Cases forwarded by TUFs Cell

**Sub Agenda Point No. 01:**

TUFs Cell forwarded a note no.12 (3597)/JIT/ ATUFs/2022/TUFs/146 dated 05.07.2022 regarding ATUFs claim of M/s. Tailors Creation India Pvt. Ltd ,Erode. The unit purchased 1 set of PLC Based Compacting Machine for Knitted fabrics (MC2-64) from M/s. SINTEC, Italy.

The model no mentioned in invoice as "TOPKNIT A-3 SUPERCOMPACT" where as in name plate it is mentioned as "A3-500". In the JIT report they mentioned both.

In this regard, the manufacturer submitted the clarification as due to space constraint the model no written in the machine name plate as "A3-500" which is the short form of "TOPKNIT A-3 SUPERCOMPACT"

**Decision Taken in 47<sup>th</sup> ITC dated 28.07.2022:** The committee after due diligence in the matter, decided to call for the Technical Literature / catalogue of the said machine and also clarification for the abbreviation "A3-500".

Now, the manufacturer submitted the clarification for this office email dated 29.07.2022 as 500 is cylinder diameter and A3 is machine series as per product catalogue. Due to lack of space they had written as "A3-500". In addition to that, the unit submitted technical literature/ product catalogue and technical drawing sheet.

**Decision Taken** : The committee reviewed the documents submitted by the unit and could not establish any co-relation between the machine model name and its abbreviation. Further, the said machine model A3-500 is not even seen in the manufacturer website as well as technical literature / brochure available on their website. Hence, the committee did not recommend this case.

**Sub Agenda Point No. 02:** Authorized Agent of the Parent manufacturer issued invoice for the machine manufactured by subsidiary unit.

TUFs Cell forwarded a note no 12(2805)/JIT/ATUFs/2019/TUFs/47 regarding M/s. Centex International Pvt. Ltd., (TUFs Ref. No. ATUFs/2017-18/735) purchased machine MC 04-38 (Computerized High Speed Fully Fashioned Flat Bed Knitted Garment Manufacturing Machine).

1. Name of manufacturer in the name plate of machine - M/s. Stoll Knitting Machines (Shanghai) Co. Ltd., China which is the subsidiary Manufacturing unit of M/s. H. Stoll AG & CO. KG, Germany.
2. Invoice issued - M/s. Stoll Financial Services GMBH, Germany is authorized agent of M/s. H. Stoll AG & CO. KG, Germany which is enlisted Annex – III at Sr. no. 10.
3. COO issued by **Industrie - UND Handelskammer, Reutlingen** (Chamber of Commerce and Industry) mentioning country of origin as "P.R. China".

ATUFS Section requested for confirming the eligibility of the claimed machine. The copy of Invoice, COO and Name plate photos are submitted.

**Decision Taken** : The committee directed TMB/TD Section to inform the status as per records on file in the matter. The status of the case as per record is as given below :

M/s. Stoll Financial Services GMBH, Germany a subsidiary unit of M/s. H. Stoll AG & CO KG is enlisted as authorized agent of M/s. H. Stoll AG & CO. KG, Germany under ATUFS. Further, M/s. Stoll Knitting Machines (Shanghai) Co. Ltd., China has been enlisted as subsidiary Manufacturing unit of M/s. H. Stoll AG & CO. KG, Germany as per the decision of 32<sup>nd</sup> ITC meeting dated 09.12.2021.

In view of the above, the committee decided that since M/s. Stoll Knitting Machines (Shanghai) Co., Ltd, China is the subsidiary manufacturing unit of M/s. M/s. H. Stoll AG & CO. KG, Germany and M/s. Stoll Financial Services GMBH, Germany is their group company authorized to raise invoice as authorized agent. Hence, invoice raised by M/s. Stoll Financial Services GMBH, Germany may be accepted for their subsidiary unit also. As regards to their COO matter since, TAMC has already directed ATUFS Cell to form a separate committee to decide the issue, hence, it may be taken up with the committee to be constituted to decide all pending COO matters.

#### **Agenda Point No 04: Request from M/s. Surat Texmac Federation**

M/s. Surat Texmac Federation vide letter dated 16.03.2022 requested this office to submit their representations on ATUFS registration, queries on old scheme & its extension and new government policies. Also, they requested this office to incorporate as a member for internal technical committee.

In view of the above and as per A.TX.C instruction, email sent to unit on 22.04.2022 and 10.05.2022. Now association confirmed their physical participation via email dated 10.05.2022 during the meeting.

**Submission made by M/s. Surat Texmac Federation before committee**: The representatives of M/s. Surat Texmac Federation, Shri Pranav Mehta, Vice President and Shri Mahendra Kukadia themselves importers of foreign manufactured Textile Machinery, have informed the committee that the looms purchased from China are mostly reconditioned machines, which are refurbished in China and being imported in India as new machines. Accordingly they have requested that the JIT of the

units who have applied under ATUFS Scheme should be carried out within a time period of 90 days so that it will be easier to identify the reconditioned machines. They have also proposed to send their representatives to be a part of the JIT to help identify such reconditioned machines

**Decision taken in 42nd ITC dated 12.05.2022:** The Committee apprised the representatives that due to the prevalent Covid situation and shortage of staff, there is a huge backlog of JITs requests from units which are pending since long. However, the committee assured them that a recommendation will be sent to the competent authority to include the representatives of M/s. Surat Texmac Federation in the JIT as a invitee henceforth for Surat Region. The committee also recommends for sending a team of officers who have to be shown the some of the units identified by M/s. Surat Texmac Federation, to have received such refurbished Looms so as a protocol for identification of refurbished machine may be proposed. The committee also requested M/s. Surat Texmac Federation to submit details of such units in writing to this office within a week time. The recommended that a representative of M/s. Surat Texmac Federation may be associated with JIT for the units related to claim of shuttleless loom from china.

As per the 42<sup>nd</sup> ITC decision this office requested M/s. Surat Texmac Federation for submission of report vide email dated 07.07.2022 and reminder dated 15.07.2022 & 26.07.2022. Further this office informed vide email dated 21.07.2022 regarding visit of Expert Committee on 29.07.2022 constituted for identify refurbished looms and protocol for near future.

Now M/s. Surat Texmac Federation vide email dated 28.07.2022 informed that they have not given any statement in any meeting before any committee. In addition to that their association will assist in identification few suppliers doing such mal practices and requested this office to visit china for supplier inspection.

**Section Note :** Based on the letter from M/s. Surat Texmac Federation, the expert committee not carried out inspection along with M/s. Surat Texmac Federation as per the 42<sup>nd</sup> ITC decision dated 12.05.2022. Screenshots of the 42<sup>nd</sup> ITC meeting attended physically by M/s. Surat Texmac Federation representatives were enclosed.

**Decision Taken :** The representatives of M/s. Surat Texmac Federation had made the submissions in front of the Internal Technical Committee members during its meeting held on 12.05.2022 and based on their submission a high level committee was sent to Surat to visit the units to be shown by M/s. Surat Texmac Federation as having installed reconditioned looms. The minutes of the 42th ITC meeting held on 12/05/2022 was uploaded on this office website on 10/06/2022 for public view. This office was also in constant touch of the Federation and requesting them to submit the name of the units where such reconditioned machines have been installed. However, when the committee reached Surat and contacted, they vide email dt. 28.07.2022 have informed that they have not given any statement in any meeting before any ITC. This kind of backing out by the Federation has not only led to financial loss to the Government of India, but also loss of valuable resources and time. As such, the Federation and its office bearers including Shri Pranav Mehta, Vice President and Shri Mahendra Kukadia should be blacklisted and debarred from getting any consideration in future.

**Agenda Point no. 5:** Case of M/s Global Impex, M/s Itochu and M/s Toyota

The matter was discussed in 23<sup>rd</sup> TAMC meeting held on 30.08.2021 vide Agenda No. 26(d) and it was decided to refer the case to TMB section to align the specific enlistment of the manufacturer viz. M/s Toyota (Annexure-III Sr No-405), M/s Itochu Systech (Annexure-III Sr No-72) and M/s Global Impex Limited (Annexure-III Sr No-115)

Subsequently TMB section has placed the matter in front of 28<sup>th</sup> ITC meeting held on 12.10.2021 vide Agenda No. 9 (2). -

Decision Taken in 28<sup>th</sup> ITC meeting: The Committee is of the opinion that the Invoice raised between the sub-agent and the beneficiary unit may be called, and establish the proper Channel of sale.

As per ITC Decision, ATUFS section of Head Office units has been asked to submit particular invoice copies which are mentioned in Certificate of Origin (COO).

RO Mumbai vide letter ref no- 3(658)/2020/ATUFS/ ROM/Policy/Vol.V/2017 dated 25.01.2022 and Email received from ATUFS regarding JIT Report in respect M/s. Dhvani Exim, Surat TUFS ref. no. ATUFS/2016-17/284 of RO- Ahmedabad.

Reply for case details presented by RO Navi Mumbai:

The RO has forwarded reply from the authorized agent M/s. Itochu SysTech Corporation, Japan with declaration. As per declaration by the machine manufacturer i.e. M/s Toyota Industries Corporation Japan and his authorized agent i.e. M/s Itochu SysTech Corporation, Japan that the Invoice No. mentioned in the Certificate of Origin (COO) have been issued by the authorized agent i.e. M/s Itochu SysTech Corporation, Japan and the machines are supplied to the beneficiaries through their marketing channel M/s Global Impex Limited.

Further it is also informed by the authorized agent i.e. M/s Itochu SysTech Corporation; Japan that as the machines are not supplied to the beneficiary units directly, therefore, it is against their business policies and trade secrets to provide the copy of the said invoices.

Reply for case details presented by RO Ahmedabad:

Similarly, the RO received reply from the M/s Global Impex Limited, and accordingly the machines are not directly supplied to beneficiary units by M/s Itochu therefore it is against their business policies and trade secrets to provide the copy of said invoices.

Further they informed that the invoice no. mentioned in COO is invoice no raised by M/s. Itochu SysTech Corporation, Japan to M/s Global Impex Limited. Also, they mentioned 3 % commission between them.

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Section Note: As per available MOU in this office records, there is no commission percentage mentioned between M/s. Itochu SysTech Corporation, Japan to M/s Global Impex Limited, however as per declaration letter shared by RO- Ahmadabad- 3% commission is mentioned.

Decision taken in 37<sup>th</sup> ITC dated 24.02.2022: The committee opined that Authorized agent i.e. M/s Itochu may be asked to submit invoices or justification alongwith copy of legal binding for non-submission of invoices. Additionally, a clarification may be asked from M/s Itochu on difference in commission mentioned in the original MOU, wherein no commission is indicated for selling machines through their sub-agent viz. M/s. Global Impex, whereas their sub-agent M/s Global Impex has now stated that they are getting 3% commission, which is contradictory to MOU submitted by them.

As per decision, this office vide e-mail dated 07.03.2022 requested to RO Navi Mumbai for necessary action in regards to collect the clarification on both the points. The reply from unit is awaited.

Decision taken in 38<sup>th</sup> ITC dated 10.03.2022: Since, the reply from the M/s. Itochu SysTech Corporation, Japan is still awaited, hence, the Committee is in the opinion that the matter maybe deferred until the receipt of reply from the M/s. Itochu.

Section Note:

This office vide Letter no. 12(7)/ATUFS/Machinery/2017/I-16/05 dated 4.05.2022 requested M/s. Itochu Systech Corporation either to submit invoice copies of respective claims or proper justification alongwith legal binding document for non-submission of the same.

In addition, clarification on commission percentage as mentioned in declaration submitted by M/s. Global Impex is varying 2% to 3% whereas no commission is mentioned in the MOU submitted in this office during enlistment. Ro Ahmedabad was also approached for getting reply from M/s. Itochu Systech Corporation vide email dated 18.05.2022, 23.06.2022 and 30.06.2022. M/s. Itochu was again reminded through email dated 06.07.2022 for the clarification.

The clarification/reply from M/s. Itochu is yet awaited from all the channels.

Decision Taken in 46<sup>th</sup> ITC held on 19.07.2022 : The committee opined that M/s Itochu Systech, Japan may be called to submit their representation on queries raised by the ITC within 21 days from the date of reminder letter. Accordingly the case will be decided on merit in future ITC, hence deferred.

Now M/s. Itochu replied vide email dated 27.07.2022 for the query raised by this office on 22.07.2022 declared that that there is no commission involved from M/s. Itochu SysTech Corporation to M/s. Global Impex Ltd and as per their business policy they are not disclosing any shipping related documents between them to third party.

Decision Taken in 47<sup>th</sup> ITC held on 28.07.2022: The Committee directed ATUFS Cell to provide the comparison data, machine wise / specification wise for the Toyota looms purchased directly from M/s. Itochu SysTech Corporation and purchased through their agent M/s. Global Impex Ltd, in order to arrive at conclusion.

Now ATUFS cell replied as “specification wise comparison data not available in i- TUFS for front end users” against TMB section note dated 29.07.2022 regarding 47<sup>th</sup> ITC decision.

**Decision Taken :** The committee noted that M/s. Itochu SysTech Corporation has confirmed that there is no commission agreed between M/s. ITOCHU Systech Corporation and M/s. Global Impex Limited. Whereas, M/s. Global Impex Ltd have submitted a declaration that they are charging 3% commission from M/s. Itochu SysTech Corporation.

In view of the above, the committee opined that the existing pending cases for release of subsidy for machines purchased from M/s. Global Impex Ltd, UAE should be cleared after deducting 5% commission (i.e 2% commission between M/s Toyota Industries Corporation Japan and their authorized agent i.e. M/s Itochu SysTech Corporation, Japan and 3 % commission between M/s. Itochu SysTech Corporation and its sub-agent M/s. Global Impex Ltd ). The committee also suggested that since submission of sub-agent M/s. Global Impex Ltd not found in conformity of statement submitted by Prime selling agent of M/s Toyota Industries Corporation, Japan and continuing the enlistment of such sub-agent can lead to over invoicing hence, the enlistment of M/s. Global Impex Ltd, UAE may be delisted from the indicative list of machinery manufacturer / authorized agents under ATUFS. As of now another sub-agent registered under ATUFS is M/s. Global Trade Well Pte Ltd, Singapore of M/s Itochu SysTech Corporation, Japan. In view of above, TAMC may take a decision on delisting both the above mentioned sub-agents namely M/s. Global Impex Ltd, UAE and M/s. Global Trade Well Pte Ltd, Singapore

The meeting ended with a vote of thanks to the chair.

## List of Video Conference of Machine Manufacturers placed before 48th Internal Technical Committee

Sr. No.	File no.	Name of the unit	Indigenous	Certificate of incorporation	Udyog Aadhar	Undertaking	Valid I.S.O figure	Eligible Textile Machine covered under which annexure of ATUFS	ISO Verification	In which ITC referred Representation	Technical Committee Decision
1	D-49	D.S. Topiwala Enterprise 442, Kabilpore, GIDC, Phase-II, Navsari - Bardoli Road, Navsari -396 424, Gujarat	Indigenous	-	Udyog Aadhar	Yes	Yes	MC-2-31, MC-2-66, MC-2-71, MC-4-82, MC-3-h-02	Verified	As per 17th ITC decision called for client verification. Now received feedback from one customer.	As per the technical literature submitted by the unit, no appropriate level of technology, Hence not recommended.

Per

N.R. Singh

Assistant Director

Sachin Kumar  
11/08/2012

~~DR. S.K. Singh~~  
11/08/12

11/08/12

DD

11/08/12

11/08/12



List Agents for Machine Manufacturers placed before 48th Internal Technical Committee						
Sl no.	File no.	Name of the authorized agent and its Parent machine manufacturer	Indigenous/ Abroad	MoU for Subsidiary unit /Authorized Agent with % of commission	Remark	Technical Committee Decision
1	S-30.	M/s. Wuyang Textile Machines India., Satara, Maharashtra (Auth. Agent of M/s. Shaoxing Wuyang Textile Machinery Co, Ltd., China)	Abroad	Yes 2%	Parent unit enlisted at Sr.No.34 in Annexure-III	Recommended

Neeraj K. Singh  
Assistant Director

Sachin Kumar  
11/08/2022

~~Signature~~  
11/08/22  
K.S. Singh  
Dir

11/08/22

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11/08/2022

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