

**Minutes of the 59th meeting of the Internal Technical Committee under Amended Technology
Upgradation Fund Scheme (ATUFS) was held on 31.01.2023**

The 59th meeting of the Internal Technical Committee (ITC) under Amended Technology Up-gradation Fund Scheme (ATUFS) was convened on 31.01.2023 from 11:30 AM 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.01: Invoicing by Indian Authorized Agents of Imported Machinery to their Indian Buyers in respect for Computerised high speed Fully Fashioned Flat bed garment manufacturing and / or Shoe Vamps manufacturing machine.

Knitwear & Textile Club, Ludhiana has submitted a representation to consider invoicing by Indian Authorized Agents for Imported Machinery to their Indian Buyers in respect of Computerised high speed Fully Fashioned Flat bed garment manufacturing and / or Shoe Vamps manufacturing machine. The association has stated that the reason for purchase from Indian agent is that these are small machines which are imported in containers in which approx.24 machines are packed. Small entrepreneur purchases very few machines in India.

The similar proposal for stitching machines has been recommended in 30th meeting ITC and the same was placed before 25th meeting of TAMC held on 22.02.2022 wherein, TAMC has discussed and decided to defer the issue since the matter needs further deliberations at length. Despite some GST practice seems to be different in different regions in India.

TAMC may deliberate on the GST practice being followed across the country and decide the matter.

Decision taken in 32nd TAMC: TAMC decided that matter may be discussed with stake holders, concerned Regional office of Textile commissioner in upcoming ITC and brought back to TAMC.


Section note: As per 32nd TAMC decision, Stake holders, OIC of RO-Amritsar and OIC of RO- Noida were invited vide email dated 23.01.2023 for detailed discussion on the subject.

The following representative joined the meeting and deliberated the subject:

1. Shri Ajay Pandit, RO-Noida
2. Shri Sanjay Charak, RO- Amritsar
3. Shri Raj Mittal, Industry Association
4. Shri Charanjiv Singh, Industry Association

Decision taken: After detailed discussion in the matter, it was decided to recommend to TAMC to allow the invoicing by Indian Authorized Agents in respect of imported machinery of enlisted machine manufacturer from aboard subject to :-

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1. The invoice raised by the authorized agent should be within 3 months period from the date of import from original machine manufacturer enlisted under ATUFS for consideration of subsidy under ATUFS.
2. All documents to establish credit link, details of complete payment of machinery cost and purchase trail will have to be submitted by the claimant unit, which includes all shipping documents & commercial invoice in the name of authorized agent of same machine manufacturer.
3. The above recommendation is applicable for small machines, which is being imported in batch/bulk quantity like stitching machines, Shoe vamp making machine, Glove making machine, Socks making machine, etc. for garment /made ups sector.

Agenda Point no.02: Cases Forwarded by TUFs Cell - Manufacturer Name difference reg.

TUFS cell vide note no. 12(2986)/JIT/ATUFS/2020/TUFS/184 dated 24.01.2023 requested to place the issue regarding the machinery manufacturer name differences observed during scrutiny of ATUFS claim in respect of. M/s. Golden Texo Fab Pvt. Ltd. The manufacturer M/s. Qingdao Sendlong Machinery Co. Ltd., China enlisted in annexure-III at serial no. 47. ATUFS cell submitted Invoice copy, Machine name plate photo and manufacturer letter in which manufacturer stated that they have written name mistakenly in the machine name plate. The name differences as follows,

Name mentioned in invoice & as Enlisted in Annexure	Name mentioned in machine name plate
M/s. Qingdao <u>Sendlong</u> Machinery Co. Ltd., China	M/s. Qingdao <u>Shengdlong</u> Machinery Co. Ltd., China

Decision taken:

The committee deliberated and did not accept the declaration given by manufacturer. Hence, the committee did not recommend the case for release of subsidy. as none of the machine manufacturer would indicate their name wrongly on their own machine. The ITC also opined that such kind of cases are not required to be referred to ITC where there is clear mismatch in name of the machine manufacturer. Such cases has to be decided by RO/ATUFS cell itself. In future, if RO/ATUFS cell decide to refer the case(s) to ITC, they should clearly indicate merit of case for referring and send the same to ITC with their recommendation for the same. The referred cases without indicating merit of case and recommendation of referring officer will not be considered.

Agenda Point no.03: Case forwarded by RO-Kolkata - Manufacturer Name difference reg.

RO-Kolkata vide note no. 12/3705/JIT/ATUFS/2022/TUFS/152 dated 19.01.2023 requested to place the issue regarding the machinery manufacturer name differences observed during scrutiny of ATUFS claim in respect of. M/s Orbit Exports. The details as follows,

S. No.	Invoice raised by	Manufacturer name as on machine name plate	Documents submitted by RO-Kolkata	Section observation
1	M/s. QINGDAO DRDE MACHINERY AND TECHNOLOGY CO., LTD, CHINA	M/S QINGDAO DRDE MACHINERY TECHNOLOGY CO., LTD	Invoice copy, Machine name plate photo	<ul style="list-style-type: none"> • Logo in the machine name plate matching with the section records. • All documents submitted in the name of M/s. Qingdao Drde Machinery And Technology Co., Ltd.. However, in the technical literature they mentioned as M/s. Qingdao Drde Machinery Technology Co., Ltd, • No logo available in invoice
2	M/s. IL SUNG MACHINERY CO., LTD, KOREA	IL SUNG	Packing list, Machine name plate photo	<ul style="list-style-type: none"> • Machine name plate is matching with the sample machine name plate photo available in technical literature • Logo in name plate and section document is matching
3	M/s. PRABHAT TEXTILE CORPORATION , AHMEDABAD	PRABHAT	Invoice copy, Machine name plate photo	<ul style="list-style-type: none"> • Logo available in invoice, Name plate and section record • Address details in the machine name plate is matching with the section records of concerned unit

Decision taken: The committee deliberated and decided to call the merit of these cases which can be referred as per guidelines or previous decision of TAMC. The referring officer should also indicate his/her recommendation indicating the view point for consideration of case.

Agenda Point no.04: Cases Forwarded by RR-TUFS Cell

RR TUFS CELL vide note no. F. No. 6(30)/ Repts. - Texport industries Pvt. Ltd./2022/RR-TUFS/54 dated 07.07.2022 forwarded copy of representation dated 24.06.2022 received from Shri. Sashi Sekhar, Director of M/s. Texport Industries Pvt. Ltd., Bangalore wherein it is informed that Band Knife Cutting Machine which is a Power Driven, is included in Annexure-MC-7 a-19 under RR-TUFS only for 5% IR but excluded in Annex-MC-14. The unit requested the reason to exclude the higher technology from MC-14 series.

The unit requested to consider the Band knife Cutting Machine which is higher technology and higher valued machine under Annexure-MC14 for both 5% IR & 10% CS. As power driven cloth cutting machines are available in both MC-14 and MC-7.

RR TUFS Cell requested to place the matter for decide the eligibility of the said Band knife Cutting Machine under 10% Capital Subsidy of GR on RR-TUFS as requested by the unit.

Decision Taken in 46th ITC dated 19.07.2022: The committee could not conclude based on details provided by the unit. Hence, it is decided to call them during next meeting of ITC for detailed discussion to decide on the matter, whether their machine is having higher technology as per machine enlisted under MC-14 of RR-TUFS or not.

Now the unit representatives confirmed their presence in the ITC meeting vide email dated 28.11.2022 against this office intimation regarding above decision. The representative Mr. Shashi Sekhar presented their submission on the above.

Decision Taken in 56th ITC dated 07.12.2022: The Committee directed that a detailed report may be called from the concerned Regional Office on comparison of technology/features between Band Knife Cutting Machine and power driven cloth cutting machine for further decision on this subject.

RO-Bangalore submitted the detailed comparison report vide letter no.4(1)/2022/A-TUFS/ROB/ Vol-XII/160 dated 19.01.2023. The conclusion points are as follows:

- The power driven cloth cutting machine and band knife cutting machine are having different technology and specification.
- The Band knife cutting machine is having upgraded technology for fine cutting with narrow blade. The build of the machine is fixed and superior when compared to the portable type of Power driven cloth cutting machine.
- The cutting knife of Band knife cutting machine is endless and flexible equipped with silicon oil felt cooling down the knife. Further speed of the machine is adjustable as per requirement when compared to Power driven cloth cutting machine where speed cannot be adjusted. 90° angle lay cutting is possible in the Band knife cutting machine.
- Price of the Band Knife Cutting Machine is higher than the power driven cloth cutting machine

Decision taken: The committee examined the report given by the RO- Bangalore and noted that Band Knife Cutting Machine has higher technology compared to the power driven cloth cutting machine which is covered at serial no. 18 of MC-14 under RRTUFS. Hence, the committee recommends to accede unit request for considering Band knife Cutting Machine as higher technology of machine enlisted at serial no. 18 of Annexure-MC14 for both 5% IR & 10% CS in RRTUFS Scheme. Since, the RRTUF scheme is ended on 12.01.2016, hence matter may be referred to TAMC for taking suitable decision for amendment or allowing higher subsidy for the machine though not listed under 10% capital subsidy for garment under RR-TUFS but having higher technology in comparison to machine linked to annexure for additional 10% Capital subsidy.

Agenda Point no.05:

ATUFS cell forwarded the higher price variation of Water jet looms in comparison with looms purchased directly from the manufacturer M/s. Hangzhou Yinchun Machine Co Ltd, China and through authorized agent M/s. Niupai International Limited, Hong Kong.

M/s. Kusumgar Corporates Pvt. Ltd purchased 45 sets of Water Jet looms through M/s. Niupai International Limited, Hong Kong. In that invoice basic cost of loom is as follows,

1. 170 CM width - USD 29520
2. 230 CM width - USD 30535
3. 280 CM width - USD 32908.

The manufacturer supplied same model machine to another unit directly @ cost of 16100 USD. The beneficiary unit forwarded clarification letter from the agent M/s. Niupai International Limited, Hong Kong for this office query stated that price difference due to customization of machine (loom width-170 cm, Special attachments/features) as per the beneficiary requirement.

Section Note : The authorized agent M/s. Niupai International Limited, Hong Kong compared with loom having basic features and spares for 1 year where as the loom supplied to M/s. Kusumgar Corporates Pvt. Ltd having all advanced features /accessories and spares for 3 years.

Decision Taken in 52nd ITC dated 13.10.2022: - The committee examined the documents submitted by ATUFS cell and decided to call for bifurcation of all additional cost mentioned in above supplies for further analysis on price difference.

The authorized agent M/s. Niupai International Limited, Hong Kong submitted bifurcation of 170 CMS (M/s. Kusumgar Corporates Pvt. Ltd) in compared with 190 cms (supplied to M/s. Nemnath) vide letter dated 02.01.2023. Representatives visited this office and requested to submit their representations on the above said issue before the ITC committee. As per instructions of A.TxC, information sent to them vide mail for attending ITC meeting in hybrid mode.

Section Note :

- In that bifurcation of 29522 USD (total cost), 21420 USD is accounted for loom width customization and agency charges, 2142 USD for cost of extra guarantee/assembling & cost of extra spares and 5960 USD for cost of reinforced machine body & suitable parts for weaving technical fabric.
- The bifurcation details for 230 CMS and 280 CMS loom width is not yet submitted. This section requested the beneficiary to submit the same through mail dated 05.01.2023. Further it is noted that the bifurcation is submitted by the Authorized agent through beneficiary unit not by the machine manufacturer.

Decision taken: The representative from M/s Kusumgar submitted their comments before the ITC during the meeting that the price variation is due to feature addition in standard machine requisite by M/s Kusumgar for manufacturing of parachute fabric of high precision. The committee examined feature wise cost bifurcation of machine and directed the concerned Regional office for physical verification of mentioned features, viz., WSM, Take-off, Let-Off and shedding mechanism and submit the report within 15 days from date of request. The committee also directed ATUFS cell to verify the comparison/specification submitted by Niupai International for standard machine supply. The delegates from Kusumgar also accepted that the mentioned cost of customization such as loom width, additional guarantee, reinforced machine body cost would not be eligible for subsidy under ATUFS and requested for not considering these component as eligible cost of machinery. The committee requested them to confirm the same by their letter/email to TxC office in this regard. The committee also decided to call clarification from OEM in regard to claim of their agent for modification carried out at their machine.

Agenda Point no.06: High price variation of Indigo Dying Range

TUFS cell vide note no.12(2690)/JIT/ATUFS/2020/TUFS/140 dated 16.01.2023 requested to place the price variation issue of Indigo Dyeing Range purchased by M/s. Siddhi Weaves Pvt. Ltd, Ahmedabad from machinery manufacturer M/s Jupiter Comtex Pvt. Ltd., Ahmedabad. As per aforesaid note, it was observed that the cost of IDR machines seems to be higher side. In this regard Ro-AHD forwarded units letter along with manufacturer comparison chart with standard scope of supply.

Section note: In this regard, ATUFS cell and Manufacturer M/s Jupiter Comtex are invited for detailed discussion during the meeting.

Decision taken: The case is deferred for detailed deliberation with the manufacturer during next meeting.

Additional Agenda Point no.01: Cases Forwarded by TUFS Cell - Model no. difference reg.

TUFS cell vide note no. 12(3756)/JIT/ATUFS/2022/TUFS/198 dated 30.01.2023 requested to place the issue regarding the machinery model no. differences observed during scrutiny of ATUFS claim in respect of. M/s. Kaushik Weavetex Pvt. Ltd. The unit purchased airjet loom from the manufacturer M/s. Tsudakoma Corp. Japan. The model no. differences as follows,

Model no. in invoice	Model no. mentioned in machine name plate
ZAX001NEO	ZAX001

In this regard, ATUFS cell submitted Invoice copy, Machine name plate photo and manufacturer letter in which manufacturer stated that “:ZAX001” is an abbreviation of “ZAX001NEO”.

Section note: In reference to the manufacturer website, “NEO “refers to their latest technology feature termed as “Neo weave technology”.

Decision taken: The committee reviewed the matter and noted that “NEO” refers to the latest technology and the additional information given in invoice. The committee recommended the case to consider for release of subsidy if other conditions are met as per ATUFS guidelines.

The committee also directed that such cases may be disposed as per 32nd TAMC decision (Agenda no.5 - Sub agenda point no-09).