

Minutes of the 65th meeting of the Internal Technical Committee under Amended Technology Upgradation Fund Scheme (ATUFS) was held on 03.05.2023

The 65th meeting of the Internal Technical Committee (ITC) under Amended Technology Upgradation Fund Scheme (ATUFS) was convened on 03.05.2023 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 1 proposal (Abroad- 01) received from Textile Machinery Manufacturers for enlistment under ATUFS, were scrutinized by the Internal Technical Committee. The committee deferred and decided to call clarification regarding parent company activities. (Attached herewith as Annexure-II).

Agenda Point No 2: Re-examination of representation received from M/s. Texport Industries Pvt. Ltd., Bangalore as per direction of 33rd TAMC dated 31.03.2023 and 06.04.2023.

The Regional Office of Textile Commissioner, Coimbatore has disallowed the cloth cutting machines for knitted rib collar purchased by M/s. Texport Industries Pvt. Ltd., Bangalore as it has a speed of 1345 RPM whereas under MC-4 Sr. No. 21 the requirement of Power driven cloth cutting machine is minimum speed of 2000 RPM. M/s. Texport Industries Pvt. Ltd., Bangalore that as the said cloth cutting machine of Swedish make is a specialized for knitted RIB collar used to cut RIB collar with précised shape which is a very critical part of T-shirt or any other knitwear with RIB collar. The machine cannot operate with High speed as it is meant to cut with precision for accurate shape. Further, it is a High Tech Machine which is of higher value.

M/s. Texport Industries Pvt. Ltd., Bangalore have requested this office to include this machine under MC-4 as a separate entry or to modify the existing entry with these additional description "Power driven cloth cutting machine specialized for knitted RIB fabric for collar with speed of 1345 RPM.

Section Note: Though M/s. Texport Industries Pvt. Ltd., Bangalore is stating that the said machine is working at a speed of 1345 RPM the same is not mentioned anywhere in the product brochure submitted by M/s. Texport Industries Pvt. Ltd for the EC50 semi automatic cutting machine and neither is the same mentioned in the company website at www.svegea.se. The machinery manufacture has also not enlisted under ATUFS for this particular machine; they have enlisted only for the machines at Sr. No. 73, 76 and 99 of MC-4.

Decision Taken in 50th ITC dated 08.09.2022:The Committee directed that a detailed report may be called from the concerned Regional Office on comparison between the two machines and deficiency in the technology, if any. They may also highlight the reason as to why the speed of RIB cutter has to be less than the speed of Power driven cloth cutting machine, and the range at which machine operates.

Now, RO- Coimbatore forwarded the visit report along with comments of OIC, RO-Coimbatore dated 15.03.2023 against this office request letter dated 07.11.2022 in pursuance the above decision. The Comments of OIC, RO-Coimbatore as follows,

“From the visit report, it is observed that the RIB-Cutting machine is also an important machine being used in the garment industry for cutting narrow width fabrics especially RIB structured fabrics and as such the speed of the RIB cutting machine is relatively lower than the Cloth cutting machine which has been specified under ATUFS. Further, it may also be noted that normal cloth cutting machine cannot be used for cutting RIB cloths and piping cloths. Accordingly, it is opined that RIB cutting machine of this specification may be considered for allowing subsidy under ATUFS by the Competent Authority.”

Section note:

- As per the report, RIB Cutting Machine is used for cutting/slitting a single piece of tubular /piping structured rib fabric at a time for collars and other garment parts at the maximum speed of 1350 to 1400 rpm. In the submitted invoice, it is mentioned as power driven cloth cutting machine. The machine is manually pedal operated semi automatic machine in reference to technical literature (machine).
- As per G.R, rib cutting machine not listed in MC- 4(Machinery for Apparel and Garments). However, Power driven cloth cutting machine with minimum speed of 2000 RPM is listed under MC-4 (Machinery for Apparel and Garments) at Serial no. 21.

Note- The report is enclosed as Annexure-III

Decision taken in 63rd ITC dated 23.03.2023:The committee examined the report given by the RO-Coimbatore and referred the above section note. The committee decided to refer the matter to TAMC for taking suitable decision for addition of Tubular/Piping cloth cutting machine with speed range based on the cloth structure i.e. Rib fabric/Interlock/Single jersey/Pique in MC-4(Machinery for Apparel and Garments).

Decision taken in 33rd TAMC dated 31.03.2023 and 06.04.2023: The matter was deliberated at length. There were contradictory views on whether it is a new technology or it is existing with some special features due to which speed is reduced. The section note was also not resonating with the analysis by ITC. The committee therefore decided that ITC may re-examine the matter afresh. TAMC also suggested that if there is no merit found in it by ITC, the matter may not be brought again to TAMC by ITC.

In addition, M/s. Texport Industries Pvt. Ltd., Bangalore vide e-mail dated 19.04.2023 also commented on ITC decisions and requested to re-examine the matter.

Decision Taken: - The committee reexamined the documents submitted by RO-Coimbatore and beneficiary unit. The committee noted that the claimed machine is actually Strap cutting machine falling under MC-4-Sr No-73 of G.R of ATUFS (Automatic Strap Cutter machine with electronic feed and cutting device). The claimed machine is semi-automatic pedal operated with manual feeding which is not fully automatic machine. Hence this does not qualify as per benchmark technology listed under ATUFS. Therefore, the committee not find any merit to consider the request of the unit. Moreover the scheme is already ended on 31.03.2022 hence no new technology of ~~eligible in it~~ can be suggested. In view of the above ATUFS cell may take appropriate view.

Agenda Point no.03: Higher price variation in respect of M/s. Kusumgar Corporates Pvt. Ltd

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.

Note: The comparison sheet is enclosed as Annexure-IV.

Decision taken in 59th ITC dated 31.01.2023: 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.

As per ITC decision, this office requested RO- AHD, Machine Manufacturer & ATUFS Cell vide email dated 09.02.2023. The status is as follows:

- RO- Ahmedabad vide email dated 25.04.2023 submitted their visit report (enclosed as Annexure-V).
- ATUFS also submitted invoice copies for verification of specification & price by Niupai International for standard machine supply.
- The OEM reply is yet awaited in-spite of reminder dated 25.04.2023.

Decision Taken:- The committee decided to refer back the case to ATUFS section to take the necessary action as per the decision of 19th TAMC dated 23.12.2020 regarding high price variation issue.

Additional Agenda Point No.1: Cases Forwarded by TUFs Cell

TUFs Cell requested to place issue in respect of machinery manufacturer M/s. Colorjet India limited, Noida who supplied MC2-48 (Digital /inkjet printing machine) to ATUFs beneficiary M/s. Jaimal Singh Satnam Singh (ATUFs/2019-20/1324) vide note no. 12/3760/JIT/ATUFs/2022/TUFs/81 dated 28.04.2023. During scrutiny, TUFs cell noted that the logo on the machine name plate and logo in the invoice is same.

In this regard TUFs cell submitted the following documents in support of the matter,

1. Invoice Copy
2. Name plate of machinery photo Copy
3. Trade mark certificate issued by Trademarks Registry, Mumbai,

Section note:

- The unit enlisted at serial no.318 in Annexure-III under ATUFs.
- Logo is same in all documents i.e. the machine name plate, invoice, Trade mark Certificate, technical literature and manufacturer website.

Decision Taken: - The committee examined the documents submitted by the manufacturer i.e trademark certificate and noted that the logo available in invoice and name plate is same. The committee recommended the case for consideration also observing the other eligibility criteria of the guidelines in force.

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Annexure-II
65th ITC

List of Machine Manufacturers placed before 65th Internal Technical Committee

Sl. no.	File no.	Name of the unit	Abroad	Embassy Certificate	BUSINESS LICENCE	Undertaking	Valid I.S.O./CE 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	S-245	M/s. Shenzhen Homer Textile Tech Co., Limited, China	Abroad	Yes	Yes	Yes	Yes	Yes	MC-2-48	Verified	Yes	All documents are in line. UID details also confirmed by ATUFS section. Hence, it may be considered.	Clarification is to call regarding parent company. Case deferred.

Nir Singh
Nir Singh
Assistant Director

Amrinder Singh
Amrinder Singh
Asst. Dir.

S. J. Srinivasan
S. J. Srinivasan
Secretary Director

Nir Singh
Nir Singh
Director

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