

Minutes of the 62nd meeting of the Internal Technical Committee under Amended Technology Upgradation Fund Scheme (ATUFS) was held on 14.03.2023

The 62nd meeting of the Internal Technical Committee (ITC) under Amended Technology Upgradation Fund Scheme (ATUFS) was convened on 14.03.2023 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: Name change request from Machinery Manufacturer

M/s. Epson India Pvt. Ltd., Bangalore has vide their letter dated. 28.11.022 requested this office for name change request from M/s. Fratelli Robustelli Srl, Italy who is enlisted at serial no.236 in Annexure -III under ATUFS to M/s. Epson Como Printing Technologies, Italy as a subsidiary manufacturer of Seiko Epson Corporation, Japan with effect from 10.12.2020.

In this regard unit submitted below documents,

- I. Declaration letter of the unit endorsed by the Indian Embassy, Milan.
- II. Company register office certificates for both names
- III. Chamber of Commerce statement
- IV. Company registration report (Business license)
- V. ISO 9001 certificate in new name
- VI. Financial statement for establishing subsidiary relationship.

The unit requested below changes in Annexure - III:

M/S. Epson Como Printing Technologies S.R.L, Italy (Formerly Known as M/s. Fratelli Robustelli Srl, Italy) – A Subsidiary Manufacturing Unit Of M/S. Seiko Epson Corporation Limited. Japan) - W.E.F 10.12.2020.

Decision Taken in 57th ITC dated 22.12.2023: - The committee examined the documents and decided to call for clarification regarding existence of M/s. Epson Como Printing Technologies, Italy before 10.12.2020 and submission of undertaking, and sales figure in the unit letter head for enlistment as per circular-6 2018-19 series. In addition to that, they requested to submit the authorization letter from parent unit i.e. M/s. Seiko Epson Corporation Limited. Japan and establishing relationship documents with M/s. Fratelli Robustelli Srl, Italy.

Section note: M/s Seiko Epson, Japan and M/s Fratelli Robustelli Srl, Italy are enlisted under ATUFS as machinery manufacturer. Further it is also observed that M/s Fratelli Robustelli Srl, Italy is a subsidiary of M/s Seiko Epson, Japan as per 2018 audit report available with the section.

Now the unit submitted the below documents in reference to this office email dated 05.01.2023 and 25.01.2023.

1. Seiko Epson declaration letter - Notarized document attested by Indian Embassy
2. Undertaking Letter
3. Sales Declaration

Decision Taken: The committee reviewed the documents such as Business License, Embassy certificate; Audited balance sheet submitted by M/s Seiko Epson, Japan and accepted the request of the unit for name change w.e.f 10.12.2020.

Agenda Point No 2: Authorized agent Enlistment under ATUFS

TUFS Cell vide Note dt. 8/12/2021 forwarded the case wherein M/s. Wellmade Enterprises Co. Ltd., British Virgin Islands has raised the invoice as the 2authorized agent of M/s. Fujian Quanzhou Aotu Precision Machine Co., Ltd., China, whereas as per this office records M/s. Wellmade Enterprises Co. Ltd., Taiwan is enlisted as authorized agent of M/s. Fujian Quanzhou Aotu Precision Machine Co., Ltd., China. It is a case of one agent having office address in two different countries, as such this matter was taken placed before the 12th ITC and the decision taken is reproduced below:

Decision Taken in the 12th ITC held on 05-11-2020: The Committee decided that the parent manufacturer i.e. M/s. Wellmade Enterprises may be instructed to provide the Verified Annual Report, Balance Sheet in the support of their claims that they are having office of the company at two places. The OEM may be requested to certify the status of their authorized agent regarding same unit having offices at Taiwan and Virgin Island.

No reply has been received to this office emails calling for the Verified Annual Report, Balance Sheet till date.

Decision Taken in 32nd ITC dated 09.12.2021: As no reply has been received from the unit for more than three months their application for enlisting M/s. Wellmade Enterprises Co. Ltd., British Virgin Islands is being rejected as per the decision taken in the 4th IMSC meeting.

Now, the unit submitted Original MOU having 10 years validity with 2% commission, Sales report of the machinery manufacturer and balance sheet of the Authorized agent which is having both address of Taiwan and British Virgin Islands.

Decision Taken: The Committee examined the submitted documents and directed to call for the Audited Annual Report/ audited balance sheet of the Authorized agent to establish identity of both addresses.

Agenda Point No 3: Machinery manufacturer Name Difference. -reg

ATUFS cell vide note no. 12(3363/JIT/ATUFS/2021/03 dated 01.03.2023 requested to place the issue regarding the machinery manufacturer name differences observed during scrutiny of ATUFS claim in respect of. M/s. Kanodia Global Private Limited. The unit purchased circular knitting machines from the manufacturer M/s. Huixing Machine Co. Ltd., China. The name differences as follows,

Name as per invoice	Name mentioned in machine name plate
HUIXING MACHINE CO., LTD.SHISHI	SHISHI CITY HUIXING MACHINERY CO., LTD.

In support of this issue, ATUFS cell submitted Invoice copy, Machine name plate photo and manufacturer letter in which the manufacturer stated that "SHISHI CITY HUIXING MACHINERY CO., LTD" is their old name and using the old name for brand reorganization & promotional measure".

Section note:

- Unit enlisted as M/S HUIXING MACHINE CO., LTD.SHISHI, CHINA in Annexure-III at serial no. 155 under ATUFS. The unit applied and registered in the new name only i.e. M/S HUIXING MACHINE CO., LTD.SHISHI, CHINA.

- As per the available section records, the manufacturer had already declared vide letter dated 02.03.2021 regarding the above name change earlier in respect of ATUFS claim M/s. A.S Textiles, Ludhiana forwarded by RO-Amritsar.

Decision Taken : The Committee examined the documents and declaration of the manufacturer. It is noted that the manufacturer still using the old name on machine name plate, which was changed 1 year before from the date of invoice. Hence, the committee did not recommend the case.

Agenda Point no.4: 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 in 59th ITC dated 31.01.2023: 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.

Now, In reference to the above decision RO-Kolkata vied email dated 09.03.2023 submitted their comments against this office email dated 09.02.2023 and reminder dated 01.03.2023 as below,

S. No.	Remarks of RO- Kolkata
1	(1) The name of the manufacturer as recorded in the invoice and documents available in the TMB section is matching. (ii) The name of the manufacturer as engraved on the machine plate and literature available in the TMB section is matching. Hence, the name of the manufacturer is different in different documents, which may not be considered.
2	Since the machine plate photo available in the TMB section is matching with that of the photo in the claim file, the case may be considered.
3	The issue is relating to name of the manufacturer recorded on invoice & on the machine plate not related logo or address issue of the manufacturer which may not be considered.

Decision Taken: - The committee directed to call clarification from RO-Kolkata for not considering the request of M/s. Prabhat Textile Corporation, Ahmedabad where the logo is available both in invoice and machine name plate, whereas in case of M/s. Il Sung Machinery Co., Ltd, Korea, the logo is not available on the invoice but available only on the machine name plate. Thus the recommendation of the R.O. Kolkatta is observed contradictory.

Agenda Point No 5: Re-Request for Enlistment as machinery manufacturer under ATUFS after not recommended in previous ITC

Sub agenda no.1 : "M/s. Qingdao Wintop Intelligent Equipment Co, Ltd., "

The unit resubmitted their enlistment request in reference to the decision of 58th ITC dated 16.01.2023 which is reproduced below.

"Not recommended. As per business license submitted by the unit that they are not textile machinery manufacturers."

The details of representation is as follows,

Unit representation	Section Note
I. Referred ISO certificate issued by Bureau Veritas stating that the certified unit is manufacture and sales of textile machinery (waterjet loom, Airjet loom, Rapier loom)	▪ Applied for MC-1-A-1, 3, 4 (Rapier loom, Airjet loom and waterjet loom) and business scope mentioned as "processing, sales, installation, maintenance, leasing :textile machinery"
II. The unit submitted webpage of third party website stating that they are machinery manufacturer.	▪ Manufacturer is having own website- https://www.wintoptexmachinery.com/
III. Submitted factory premises photos	

Decision Taken: The committee reviewed the documents along with the clarification submitted by the machine manufacturer. After due examination the committee did not recommend the manufacturer for enlistment under ATUFS.

Sub agenda no.2 : “M/s. Changzhou Guanboda International Trade Co, Ltd.,”

The unit resubmitted their enlistment request in reference to the decision of 58th ITC dated 16.01.2023 which is reproduced below.

“Not recommended as the unit is in existing only from 2020 i.e. having less than three years sales figure. Further, as per their website they are selling 2nd hand machinery.”

The details of representation as follows,

Unit representation	Section Note
<p>I. Sales figure - Submitted sales figure for four years (2019, 2020, 2021, 2022) The unit was established in 03.08.2019 (submitted Government profit making enterprise certificate and Foreign Trade Operator certificate.</p> <p>II. Web Site - The unit has submitted webpage of third party website stating that they are machinery manufacturer.</p>	<ul style="list-style-type: none">Applied for MC-1-A-1,3,4,7 MC-1-B-8(Rapier loom, Airjet loom , waterjet loom, Electronic jacquard, warping machine) and business scope mentioned as textile machinery manufacturingManufacturer is not having own website.

Decision Taken: - The committee reviewed the documents and clarification submitted by the machine manufacturer. After due examination the committee did not recommend the manufacturer for enlistment under ATUFS as it is in existence less than 3 years as per details available on website, the unit is dealing in second hand machines.

Additional Agenda Point No 1: 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.

Decision taken in 59th ITC dated 31.01.2023: The case is deferred for detailed deliberation with the manufacturer during next meeting.

Informed to ATUFS cell and Machinery manufacturer for detailed deliberation on the above said issue through video conferencing on 10.02.2023 vide mail dated 06.02.2023 and 09.02.2023. A representative from the machinery manufacturer Shri Ashish Patel submitted their clarification clarified that, M/s. Siddhi weaves requested for additional features as per given bifurcation.

Decision Taken in 60th ITC dated 10.02.2023: The committee reviewed the other cases of ATUFS claims as well as clarification on terms of item wise justification of price difference (attached as annexure-II) submitted by the machinery manufacturer and observed that the machinery manufacturer has not provided proper clarification. Moreover, during V.C discussion the manufacturer could not able to clarify the difference in price with proper technical details. Hence, the committee asked ATUFS cell to provide copies of orders placed by those units and proforma invoices of machine manufacturer to examine the claim further where the manufacturer supplied the same model machine. Accordingly, the machine manufacturer to submit the request/order letter of M/s. Siddhi Weaves & M/s. Vishal Fabric Ltd. alongwith proforma invoices and purchase orders copies to examine the claim further.

In reference to the above decision, the unit submitted documents vide email dated 22.02.2023 in against to this office query email dated 20.02.2023.

Section Note:

- M/s. Siddhi Weaves Pvt. Ltd, Ahmedabad - The purchase order copy does not comprise any signature and reference quotation no. & date. In addition to that, the proforma invoice issued on 23.07.2017(with GST)which is after the invoice date is 05.04.2017 and the same proforma invoice copy also not signed. (Without GST). The basic value also changed with tax slab change from before GST and after GST in Purchase Order and Proforma Invoice respectively.
- M/s. Vishal Fabrics Ltd., Ahmedabad -In reference to the purchase order copy, not having any quotation no. & date. In addition to that, proforma invoice copies serial number is not matching with the proforma invoice copies number mentioned in the submitted invoice copies.

Decision Taken in 61st ITC dated 27.02.2023 :- The committee examined the documents and found that the submitted documents are not in line as per discussion with the manufacturer during 60th ITC VC meeting wherein requested supporting documents to establish additional features/customization supplied to the beneficiary. In addition, based on section remark mentioned above, the committee opined that the documents are not as per standard business practice hence decided to issue show cause notice to the manufacturer to justify the discrepancies observed and why they should not be delisted from the approved list of machine manufacturer under ATUFS.

The representatives from M/s. Siddhi Weaves Pvt. Ltd, Ahmedabad and M/s Jupiter Comtex Pvt. Ltd., Ahmedabad visited this office on 14.03.2023 and attended the meeting with the permission of chairman to present their justification on the issue.

Decision Taken: The representative from M/s. Siddhi Weaves Pvt. Ltd, Ahmedabad and M/s Jupiter Comtex Pvt. Ltd., Ahmedabad submitted their comments before the ITC during the meeting that the price variation is due to additional feature compared to standard machine requisite by the beneficiary unit. The matter was discussed with the representatives of unit in the presence of technical committee members and concluded that a committee of technical officers to be constituted to study and submit the detailed report on standard machine in comparison to the customized machines supplied to M/s. Siddhi Weaves Pvt. Ltd, Ahmedabad and M/s. Vishal Fabrics Ltd., Ahmedabad within 15 days. The technical committee comprises of Shri Saurabh Kumar Sinha (DD), R.O.Ahmedabad as Chairman, Shri Humayun K (AD), Headquarter Office, Mumbai, Shri Satish Kumar K (AD), R.O. Bangalore and Shri Narottam Kumar (AD) Headquarter Office, Mumbai.

The meeting ended with vote of thanks to the chair