

MINISTRY OF TEXTILES  
OFFICE OF THE TEXTILE COMMISSIONER  
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F.No.12(7)/30<sup>th</sup>TAMC/ATUFS/2022/TUFS/ 70

Date : 12.08.2022

Sub: Minutes of the 30<sup>th</sup> Meeting of Technical Advisory Monitoring Committee (TAMC) under ATUFS and Previous Versions of TUFS held at 12:00 noon on 13.07.2022-reg.

The Minutes of the 30<sup>th</sup> meeting of Technical Advisory Monitoring Committee (TAMC) held at 12:00 noon on 13.07.2022 in the Office of the Textile Commissioner through VC Mode for discussing the issues pertaining to ATUFS and Previous Versions of TUFS and discussed in the 7<sup>th</sup> meeting of IMSC (Agenda no. 8 ) is enclosed herewith. The decisions of 30<sup>th</sup> meeting of TAMC shall be read with the decision of 7<sup>th</sup> meeting of IMSC.

Encl : as above.

उषा प्रल्हाद 12/8/2022  
(Usha Pralhad Pol)  
Deputy Director General

To,

All members of TAMC Meeting

Copy to :

1. PS to Tx.C. : For kind information
2. Shri Anil Kumar K.C., US, MOT, New Delhi
3. M/s. Silver Touch Technologies Ltd.

**Minutes of 30<sup>th</sup> meeting of Technical Advisory-Cum-Monitoring Committee (TAMC) for discussing issues of ATUFS and Previous Versions of TUFS held on 13.07.2022 through VC**

*(To be read with decisions of 7<sup>th</sup> IMSC)*  
 30<sup>th</sup> meeting of the Technical Advisory-cum-Monitoring Committee (TAMC) for discussing the issues on Amended Technology Upgradation Funds Scheme (ATUFS) and Previous Versions of TUFS chaired by Ms. Roop Rashi, Textile Commissioner was held virtually at 12.00 Noon on 13.07.2022. The list of participants is at **Annexure-I**.

At the outset, the Textile Commissioner extended a warm welcome to all the participants and requested Ms. Usha Pralhad Pol, Deputy Director General to take up the agenda before the Committee. The decisions thereon were taken by TAMC as follows:-

**Agenda No.1:**

The minutes of 29<sup>th</sup> meeting of TAMC held at 02:00 PM on 29.06.2022 will be circulated and placed on Office website on ratification of the same by the IMSC in its forthcoming meeting scheduled on 22<sup>nd</sup> July 2022.

**Agenda No. 2: Review of Progress of TUFS**

a. Progress of utilization of allotted fund for the financial year 2022-23.

(Rs. in Crores)

S. No	Scheme	Allocation	Expenditure
1	ATUFS	650	71.13
2	MTUFS		0.00
3	RTUFS		0.21
4	RRTUFS(bank routed )		22.47
5	RRTUFS (MMS)		0.27
	<b>Total*</b>		<b>94.08</b>

\* As on 30.06.2022

b. Segment wise details of UIDs issued under ATUFS as on 06.07.2022:

(Rs. in Crores)

#	Segment Name	UID Issued	Project Cost	Provisional Subsidy
1	Garmenting(15%CIS)	1469	3327.47	340.47
2	Handloom(10% CIS)	60	56.30	04.57
3	Jute(10% CIS)	13	16.52	01.31
4	Multi activity (10%CIS/15%CIS)	2293	31693.05	2039.02
5	Processing(10% CIS)	1622	6602.54	445.28
6	Silk(10% CIS)	30	41.44	02.71
7	Technical Textile(15% CIS)	534	4243.68	396.42
8	Weaving(10% CIS)	8370	23182.03	1733.41
	<b>TOTAL</b>	<b>14391*</b>	<b>69162.36</b>	<b>4963.19</b>

\*One UID has been cancelled on 05.07.2022 on request of entity

The progress and above data are placed before the TAMC for information.

Decision of 30<sup>th</sup> meeting of TAMC: The Committee noted the progress.

*30/7/22*

**Agenda No. 3:-For examine over invoicing and other issues for allowing high sea sales in ATUFS**

With reference to Agenda 11.1 (Any other issue with permission of Chair): Issue of High sea sales was raised by Sh. Narendra Goenka, Chairman, AEPC. As directed by HMoT the issue has been examined as under:

As per Para 3.2 and Para 4.2.6 of Resolution dated 29.02.2016 on ATUFS, *Machinery (imported and Indigenous) purchased directly from the machine manufacturers or their authorized agents will be considered for benefits under the scheme. However, the benefit will also be available in case new imported stitching machines required for garmenting/ apparel/ made-ups manufacturing are purchased from the authorized stockiest / custom warehouse located within the country, provided the purchase is made by the consignee/ from a person who has purchased the same directly from the machine manufacturer or their authorized agents. Such machinery will also be eligible for the benefits under this scheme. Under no circumstances, the machinery will be allowed under this scheme, if the machinery has been used even once and/or even for testing purpose.*

Para 3.3 of Resolution 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*”

Machines purchased under High seas sales arrangements in converted cases from RRTUFS to ATUFS has been allowed in 14<sup>th</sup> Meeting of TAMC as enlistment was not necessary and same was allowed in RRTUFS.

On above submissions of the policy guidelines, the representatives of AEPC have submitted that nowhere in guidelines for ATUFS, it is mentioned that Machine could not be purchased under High seas Sale arrangement.

Possible challenges in case the machines purchased under high sea sales are:

- (i) Add on value on the basic cost of machines since the person selling machines through high sea sale will add its cost of import including freight and insurance and finalize deal after adding their profit margin. Thus, cost of machines for the specific model purchased through high sea sale arrangement may not be the same in comparison to the same machines purchased directly from the machine manufacture.

Under ATUFS, machines are directly being shipped by the machines manufactures through invoice being raised on behalf of concerned machine manufacturers by their authorized agents and the percentage of commission of authorized agent is being deducted as indicated in the duly signed MoU provided by the machine manufacture while calculating the eligible subsidy under the scheme. Under high sea sale arrangements, most of the shipping documents are related to basic importer (agent) and payment of machines are being paid to agent in place of machine manufactures. Hence, such arrangements may not ensure the right price of the machines and trails of actual payments of machinery to machine manufacturers.

- (ii) Further ATUFS scheme has already ended on 31-03-2022 hence it may not be prudent to change the policy guidelines particularly for very few cases. As narrated

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above, there will always possibilities of higher prices of the same machines. Hence, consideration of machines purchased through High Sea Sales arrangements may not be recommended.

**Decision of 30<sup>th</sup> meeting of TAMC:** Office of Textile Commissioner flagged the reservations raised by the then Financial Advisor of MoT for non concurrence of high sea sale while framing the policy of ATUFS and further added that it was considered to provide benefit for garmenting/ apparel/ made-ups units who purchased machines from authorized stockiest / custom warehouse located within the country as small garmenting manufacturers may not be in a position to bring 30-60 stitching machines in a container.

Representatives of AEPC, SIMA and CMAI deliberated that machines purchased from Machine manufacturer or Authorized Agents through High Seas Sales arrangement may be considered on the following grounds:-

- Import of capital goods though high sea sale is permitted as per Foreign Trade policy chapter-2 of para 2.38.
- There is no need of revision in GR as it is the matter of interpretation per se.
- High Seas Sales arrangement was permitted under previous versions of TUFSS.
- Date of invoice of original machine manufacturer and invoice raised by agent of high sea sale shall be within three months.
- For processing of claim, date of invoice of original machinery manufacturer shall be considered.
- Transaction agreement between original machine manufacturer and agent of high sea sale shall be provided
- HSS reduces time of procurement of machinery.
- HSS is just like bulk shipping for different users in single dock.

In view of the above deliberations, it was decided by the TAMC that although there were apprehensions while framing the scheme guidelines however industry representatives assured that there would not be any risk in high sea sale like any other transactions permissible under the scheme and the arrangement helps the industry especially to MSMEs hence may be considered. subject to fulfillment of all other conditions in GR's etc. The Decision may be brought to notice of IMSC as point was raised in the 6<sup>th</sup> Meeting of IMSC held on 28.04.2022

#### **Agenda No. 04:-Definition issue of "Fully Fashioned High Speed Knitting Machine".**

Office is in receipt of the claims pertaining to MC01-C-8 High performance Tricot Machinery in UID/JIT Request application. In such cases commercial Invoice issued with Description of the machine as -Fully Fashioned knitting machine with the configuration as High Performance Tricot machine for production of all 3 bar articles.

14th meeting of TAMC has decided to consider the machine under M - 1 C -8 High performance

Tricot Machinery with minimum 3 Bar and speed of 2300 rpm and above.

However, MoT is pursuing the matter with DRI hence the cases related to Fully Fashioned High Speed Knitting Machine needed to be kept in abeyance till the receipt of directives due to definition issue-variation in name and specification of "knitting machinery" as mentioned in commercial invoice, shipping documents and actual specification verified by JIT.

TAMC may deliberate and decide.

**Decision of 30<sup>th</sup> meeting of TAMC:** TAMC has decided that the cases related to Fully Fashioned High Speed Knitting Machine to be kept in abeyance till the receipt of directives from the Ministry.

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30/1/20

## List of attendees

S. No.	Name and organisation
1.	Ms. Roop Rashi, Textile Commissioner - In Chair
2.	Ms. Usha Pralhad Pol, Deputy Director General, OTxC, Mumbai
3.	Shri S P Verma, Additional Textile Commissioner, OTxC, Mumbai
4.	Shri V K Kohli, Joint Textile Commissioner, OTxC, Mumbai
5.	Shri Iqbal Ahmad, Director, OTxC, Mumbai
6.	Ms. Avni Gupta, Deputy Director, OtxC, Mumbai
7.	Shri Sivakumar S . Deputy Director , OTXC Mumbai
8.	Shri. Narottam Kumar, Assistant Director, OtxC, Mumbai
9.	Shri Naren Goenka Chairman, AEPC
10.	Dr. Siddhartha Rajagopal, Executive Director, Texprocil
11.	Shri Charanjeev Singh President, Ludhiana Knitwear Club, Ludhiana
12.	Shri Mohan Sadhwani E.D. , CMAI, Mumbai
13.	Shri Sachin Kumar E.D. Textile Machinery Manufacturers Association, Mumbai
14.	Dr.L.B.Singhal, AEPC
15.	Ms. Chandrima, Confederation of Indian Textile Industry, New Delhi
16.	Dr. K. Selvaraju S.G. , The Southern India Mills' Association, Coimbatore
17.	Shri Pankaj Agarwal, IJMA, Kolkata.
18.	Shri A.Ravi Kumar , Additional Director , TEXPROCIL
19.	Shri R.P. Gupta TUFs Cell, Small Industries Development Bank of India(SIDBI),
20.	Shri Sybil Marques, Representative Synthetic and Rayon Textiles Promotion Council, Mumbai
21.	Ms. Vaishali , TUFs Cell, Union Bank of India
22.	Shri Mukesh Kumar, TUFs Cell, Bank of India, Mumbai
23.	Ms. Prajakta Surwade, Bank of India,
24.	Shri A Kaustubh, TUFs Cell, Bank of Baroda, Mumbai
25.	Shri Rajiv Ranjan, Bank of Baroda.
26.	Shri Ajay Singh TUFs Cell Punjab National Bank.
27.	Representative , Apparel Export Promotion Council Mumbai