

## **Minutes of the 14<sup>th</sup> Meeting of the Technical Advisory-cum-Monitoring Committee (TAMC) under A-TUFS**

The 14<sup>th</sup> meeting of the TAMC under Amended Technology Upgradation Fund Scheme (ATUFS) was held under the Chairmanship of Shri Moloy Chandan Chakraborty, Textile Commissioner on 25.09.2019 at 2.30.PM in the Conference Hall of the Office of the Textile Commissioner, Mumbai. The list of participants is enclosed at Annexure – I.

At the outset, the Textile Commissioner welcomed all the participants. Thereafter, Ms Usha Pralhad Pol, DDG and Member Secretary (TAMC), presented the agenda for discussion before the Committee with the permission of the Chair.

### **Agenda No.1: Confirmation of the minutes of the 13<sup>th</sup> TAMC meeting held on 23.02.2019**

Minutes of the 13<sup>th</sup> TAMC meeting were circulated to all members. As no comments/suggestions were received from the members of TAMC, **the minutes are treated as confirmed.** Two agenda points which were deferred by the 13<sup>th</sup> TAMC were placed as a supplementary agenda for discussion in the meeting.

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

The Member Secretary placed the data before the Committee which is given below;

#### **a. Fund allocation and Expenditure under TUFS in 2019-20: Rs. in Crore**

Sr. No.	Scheme	Allocation	Claim sent to MoT	Fund Released
1.	MTUFS	700.00	0.00*	0.00*
2.	RTUFS		0.00*	0.00*
3.	RRTUFS		0.00*	0.00*
4.	ATUFS		36.49	25.24
5.	MMS		20.05	20.05
<b>TOTAL</b>			<b>56.54</b>	<b>45.29</b>

\*As per decision of 3<sup>rd</sup> IMSC held on 27/02/2019, previous TUFS cases (except MMS) are to be considered after JIT inspection only.

#### **b. ATUFS (position as on 23.09.2019):**

**The total subsidy cap available - Rs. 5151 Crore**

UIDs are being auto generated w.e.f. 9<sup>th</sup> August 2019. On the date of the meeting, 8,829 UIDs with subsidy amounting to Rs 2627.26 crore were issued which includes 1,830 auto generated UIDs.

### **Agenda No.3: Ratification of inclusion of machinery manufacturer under ATUFS**

Enlistment of 111 machinery manufacturers recommended by the Internal Technical Committee was placed before the Committee for ratification. Action to be taken with respect to 45 machinery manufacturers for which proper embassy certification was not provided was placed for consideration of TAMC.

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**Decision of the TAMC:**

**The Committee ratified the inclusion of machinery manufacturers as given in the agenda. The ratified list of 111 machinery manufacturers is at Annexure II.**

**It has been decided by TAMC that the 45 machinery manufacturers should obtain required certificates from the Embassy. It has also been decided to simultaneously request Ministry of Textiles to take up the matter in respect of these 45 machinery manufacturers with the concerned Embassies.**

**Agenda No 4: Inclusion of banks/lending agencies under ATUFS**

Proposals received from 11 Banks/Lending Agencies for inclusion under ATUFS and updating accordingly in i-TUFS software were placed for perusal and approval of TAMC, as required under Para 2.5 of Revised Resolution on ATUFS dated 02.08.2018.

**Decision of the TAMC:**

**The Committee approved the inclusion of the 11 Banks given at Annexure III.**

**Agenda No 5: Adjustment/Deduction on account of Commission (ATUFS and RRTUFS period) for machines purchased from Authorized Agents:**

As per the para 3.3 of Revised Resolution on ATUFS, machinery purchased directly from machinery manufacturer or their authorized agents are eligible for subsidy under the scheme. The price of machines purchased from authorized agents is inclusive of commission which needs to be deducted to arrive at the basic cost of eligible machinery, for computation of subsidy.

**The Committee to decide :**

- i. Whether to seek MoU for deducting commission for RRTUFS cases converted to ATUFS.
- ii. The methodology for computing commission (in percentage) of the authorized agent for deducting it from the basic cost of eligible machinery in respect of imported machinery for all cases of ATUFS, including RRTUFS converted to ATUFS.

**Decision of the TAMC:**

**It has been decided by the committee that**

- i. **MoU for deducting commission for RRTUFS cases converted to ATUFS shall be sought on case to case basis in case it is not available under ATUFS.**
- ii. **The highest rate of exchange (for the transactions involved for the purchase of machinery) as a conversion rate for arriving at the commission and deduction of commission of authorized agents from the eligible machinery cost shall be considered. It is further decided by the Committee that the cost of the eligible machinery shall be arrived at by considering the lowest of the following –**
  - a) **Actual Payment made against Invoice or**
  - b) **Value in the Bill of Entry or**
  - c) **The value of subsidy mentioned in UID application**

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**The commission value shall be computed based on the percentage mentioned in the MOU on case to case basis.**

**Agenda No 6: Methodology to arrive at basic cost of machinery in cases involving purchase of spare parts / attachments /optional accessories.**

In many claims, it is observed in the commercial/tax invoice that the price of machinery is inclusive of optional accessories or spare parts. However, the same is not claimed separately in the UID application or JIT request. Presently, the practice in such cases is to seek price bifurcation from the unit based on certificate/document from the machinery manufacturer/authorized agents. This tends to delay settlement of claims as such a document may not be forthcoming especially for machines purchased from foreign manufacturers. In cases where such a document is submitted, it is always seen that spare parts/ optional accessories tend to have less than 20% cost implication or lower, if any at all.

Para 3.8 of the RR on ATUFS states that accessories/attachments/sample machines/spares upto 20% of basic cost of machine are eligible for subsidy. (Presently, this para is only applied in cases where accessories/spares have been separately claimed in UID/JIT request). Further, the peculiar case of machines purchased from Picanol NV has also been observed wherein the proforma invoice referred to in the commercial invoice mentions 'machine including spare parts' but the commercial invoice or the Packing List does not.

**The Committee may explore and recommend alternate solutions such as self certification by unit or standardization of cost of spare parts/optional accessories (i.e., in terms of percentage of basic cost of machinery) for major manufacturers etc to expedite settlement of claims.**

Additionally, in such cases where imported machinery is purchased, it is common for payment to be made in multiple tranches at varying exchange rates. Hence, even if bifurcation for spares/optional accessories is provided by the manufacturer and adjustment made accordingly from basic cost in foreign currency, it is not clear which exchange rate is to be used for arriving at basic cost in INR. **In such cases, the Committee may recommend whether to apply the lower exchange rate, or the exchange rate at which highest share of payment has been made or a weighted average of exchange rates and share in payment.**

**Decision of the TAMC:**

**It has been decided that if the machine is supplied with "Standard Accessories and Spare Parts", then the same may be considered as the component of the main machine.**

**In case other spares/ accessories / attachments are procured by the unit without claiming separately in the UID application or JIT request, the same shall be deducted to arrive at the basic cost of the eligible machine. For deduction of the ineligible component, the methodology mentioned against the decision of the Committee for Agenda 5 above to be adopted.**

**The Committee also deliberated and decided that 15% of eligible machinery cost may be considered as the cost of spare parts/optional accessories (i.e., in terms of percentage of basic cost of machinery) to expedite settlement of claims in case the break up is not mentioned in invoice.**

**Agenda No 7: Admissibility of claims wherein loan has been availed under SMILE scheme implemented by SIDBI:**

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During the course of implementing ATUFS, it has been observed that many units applying for UID have also availed SIDBI Make in India Soft loan for Micro, Small and Medium Enterprises (SMILE). Under the SMILE scheme, SIDBI creates two loan accounts for a single loan; part of which is sanctioned as a soft loan in the nature of quasi equity (A/c 1) and remaining as a term loan on relatively soft terms (A/c 2). **Soft loan** at concessional rate of interest is sanctioned for initial period of three years from date of first disbursement. After completion of three years concession period, the outstanding soft loan together with any dues thereon is converted into separate secured term loan a/c and the entire loan carries applicable rate of interest as per bank's primary lending rate (PLR) and internal rating of the borrower thenceforth. **Term loan on relatively soft terms** allows for minimum of Rs 25 lakhs and 50 lakhs loan for existing and new projects respectively. Interest rate applicable for first three years on term loan are low (albeit higher than soft loan) and then raised as per bank's primary lending rate (PLR) and internal rating of the borrower.

Prior to 2018, units availing SMILE would mention two loan a/c numbers while applying for UID. In the 9th meeting of TAMC held on 20<sup>th</sup> December 2017, it was decided that as per ATUFS guidelines, only one account per bank per project could be considered for ATUFS benefits. Subsequently, SIDBI was providing only term loan a/c no. in UID application resulting in UID being issued to such units.

Meanwhile, when inspection by JIT was conducted for these units, either of the following scenarios was observed:

1) Machinery eligible under ATUFS was purchased exclusively from term loan component and promoter's contribution whereas soft loan was used to purchase non ATUFS machine or meet other expenses in the project. SIDBI has submitted an undertaking/letter in such cases establishing that eligible machinery was funded through term loan only.

2) Soft loan has been used in addition to term loan to purchase eligible machines.

Based on existing directions that 'the machinery should be purchased only from the term loan sanctioned without taking double benefit of soft loan eg; in soft loan, benefit of I.R. is also given in addition to the TUFs benefit which may not be allowed as per GoI provisions.', claims falling in latter scenario were rejected by this Office. The remaining claims were kept on hold in view of the representation received from SIDBI to consider coverage of all ATUFS cases under SMILE scheme with only one loan account and not covering of soft loan portion under ATUFS.

The RR on ATUFS is silent as to whether such arrangement is permissible under ATUFS. However, Para 8 states that Textile units are permitted to avail benefits of State Government's schemes, in addition to the benefit provided under ATUFS. Further, Para 4.3 states that term loan availed from notified lending agency with minimum 50% of the total eligible machinery cost under the project is eligible for subsidy, a condition which is met in most of such claims.

#### **Decision of the TAMC:**

**SIDBI representative informed that soft loan under SMILE Scheme is basically for giving marginal concession in rate of interest. SIDBI provides loan out of the Rural Infrastructure Development Fund received from Reserve Bank of India. Further, no funds are received from Central government for coverage**

**of SMILE cases by SIDBI. The Committee clarified as there is no double benefit involved in the claims wherein loans are availed under SMILE scheme implemented by SIDBI, such cases should be considered as eligible for subsidy under ATUFS.**

**Agenda No 8: Admissibility of claims involving multiple invoices with different dates for the same machine where some invoices are prior to Term loan sanction date:**

A few instances have been observed where multiple invoices were raised at different dates for the same machine. While some of the invoices were raised before the date of term loan sanction, remaining were raised post the date. Para 4.2.7 read along with Para 4.7 of ATUFS guidelines dated 29.02.2016, which is applicable to these claims, requires that the purchase date i.e., date of commercial invoice should be after date of loan sanction for the claim to be eligible under ATUFS.

One interpretation of the guidelines would imply that the claim is partly admissible despite the machine meeting technology benchmark. In such a scenario, the amount mentioned in invoices raised post term loan sanction date would be admitted for subsidy calculation. Alternately, if purchase date is considered as the date on which last invoice was raised, the entire claim will be admissible. As per Para 7.3 of RR on ATUFS, 'Purchase date shall be the date when full and final payment is made by the entity for machinery as evidenced by the bank transaction statement or the date of commercial invoice whichever is later'. Further as per MoT's O.M. dated 13<sup>th</sup> August 2019, this para is applicable for claims where UID application has been made on or after 02.08.2018.

**Decision of the TAMC:**

**TAMC decided that in case of purchases made against multiple invoices for the same machine, if the value in the invoices issued post term loan sanction date constitute more than 50% of basic cost of eligible machine, then the entire invoices of the machine will be considered eligible for subsidy under the scheme.**

**Agenda No 9: Clarification on admissibility of commercial invoices which are handwritten**

Invoices raised by certain indigenous manufacturers which are primarily hand written have come to the notice of this Office. It is seen that the invoices contain all the mandatory fields such as invoice serial no. description and quantity of goods etc required under the GST Act. However, most fields including machine serial number are handwritten.

In the 3<sup>rd</sup> meeting of the Inter Ministerial Steering Committee (IMSC) held on 27.02.2019 it was emphasised that 'the serial number of the machinery should be written in the original invoice and correction/tampering in the invoice or hand written numbers should not be allowed. Based on IMSC's decision, such claims have been recommended for rejection.

**Decision of the TAMC:**

**The Committee decided that only in case where the original invoice ( i.e., uploaded at the time JIT request) is fully handwritten, with all machine serial**

numbers written by hand, shall be permitted. No correction/tampering on such handwritten invoices shall be allowed. Further, machines having name plate containing machine sr. no / year / model, hand written with marker/ pen or paint shall not be allowed.

**Agenda No 10: Eligibility of claim where term loan is sanctioned to Borrower and Co-Borrower:**

This Office has received a few claims where term loan has been sanctioned to two parties; borrower (unit claiming benefits under ATUFS) and co- borrower.

**Decision of the TAMC:**

**The Committee has decided that term loan sanctioned jointly to Borrower and Co-Borrower by the lending agency/bank sanctions will not be eligible for TUFs subsidy under ATUFS.**

**Agenda No 11: Considering claims where Year of manufacture is a part of the machine serial number or YoM is mentioned in a separate document:**

As per para 9.1.2 of GR on ATUFS dated 29.02.2016, "It is made mandatory that make, year of manufacture, name of the manufacturer and serial number of all the eligible benchmarked machinery are clearly indicated on the machine (s)". In some cases, it is observed that the year of manufacture is not separately mentioned on the machine or nameplate. Instead the last two digits of the year is a part of the machine serial number which in turn is indicated on the machine. In yet other cases, YoM is provided separately or subsequently in certificate/letter from the machinery manufacturer. Till now, such claims have been rejected citing Para 9.1.2 of earlier guidelines.

**Decision of the TAMC:**

**The committee recommended that if Year of manufacture is a part of the machine serial number, the same may be considered subject to clarification provided by the Machinery manufacturer.**

**Agenda No 12: Clarification on para 4.7 in guidelines dated 29.02.2016 and para 7.1 in RR dated 02.08.2018 regarding advance payment upto margin money/own share**

The respective paras in the guidelines dated 29.02.2016 and Revised Resolution state that **advance payment up to the limit of its own share/margin money in machine cost can be made by the applicant prior to the date of sanction of term loan.** As of now, a few claims have been rejected or recommended for rejection citing this para. However, in such cases, it is invariably observed that though advance payment exceeds margin money (as per term loan sanction letter), it is still less than 50% of eligible machinery cost. Hence the term loan component exceeds 50% of machinery cost. Representation has been received from RO, Coimbatore requesting clarification on whether the para should be invoked for rejecting claims.

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### **Decision of the TAMC:**

**The committee confirmed that the action taken in processing of such claims by office of Textiles Commissioner is in line with the provision in the para 4.7 in guidelines dated 29.02.2016 and para 7.1 in RR dated 02.08.2018. However, industry representatives submitted that the entrepreneurs pay advances more than the margin through their current account with bank before sanction of the term loan in consultation with the bank so that machines ordered by them may be delivered at the earliest. After sanction of term loan the amount is paid through term loan account. Hence the case may be considered as eligible for subsidy. Being a policy decision to be taken, the Committee recommended to place the same before the IMSC.**

### **Agenda No 13 :Treatment of shuttleless loom with mechanical dobby for arriving at basic cost of eligible machine**

Numerous claims have been received by this Office wherein shuttleless looms with mechanical dobby have been claimed under ATUFS. The practice in such cases is to seek price bifurcation for mechanical dobby on a case to case basis for deducting the same from basic cost of machine. At present the price of mechanical dobby is being deducted as it does not meet technology benchmarks prescribed for dobby (standalone basis) under ATUFS guidelines. However, representation has been received from RO, Ahmadabad to include mechanical dobby as it is a higher version of CAM shedding which is being considered under ATUFS.

### **Decision of the TAMC:**

**The committee decided to consider Looms with mechanical dobby under ATUFS as it is a higher version of CAM. However, while considering the looms with mechanical dobby, the Committee viewed that the machine should also meet the speed criteria of Looms with electronic dobby / Jacquard as per the ATUFS guidelines.**

### **Agenda No 14 : Consideration of Split warping machine under ATUFS:**

Split warping machine is specially used for the synthetic filament yarn having mother yarns (Multiple Mono yarn) in single package. Mother yarn is split to mono yarn and wound on weaver's beam in split warping machine which is mainly used for feeding warp knitting machines.

As the mother yarn consists of about 12 mono yarn, the number of packages feed to the split warping machine is very less compared to the direct warping machine. However the number of ends works out up to 1200 in case of split warping where as it is limited to around 750 in direct warping machine. Further the machines having the advantage of less space, lower working capital and improved efficiency as the travelling length of ends (yarn package to Warpers beam) reduced substantially.

As per the representation of South Gujarat Warp Knitters Association, Surat, the units selected split warping machines under MC 01(A)-B-5 in the indicative list of ATUFS,(i.e) **"MC 01-(A)-B-5 High speed warping machine for knitting with minimum closed creel capacity of 200 and minimum speed of 100 Mts/ Min and with servo motors and servo amplifiers"** are not considered as eligible as the

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number of feeding packages are less than 200 though the number of mono ends feeding are more than 200.

For example

No.of cheese packages feed	- 60
No.of ends per package	-12
No.of ends fed to beam	- 720

Hence South Gujarat Warp Knitters Association, Surat requested to consider /accept the cases and extend the benefit of TUFs to the Split Warping machine.

Federation of Indian Art Silk weaving Industry (FIASWI), Mumbai also vide their letter dated 16.09.2019 requested to consider the Split Warping machine under ATUFs and other TUF scheme.

#### **Decision of the TAMC:**

**TAMC has decided that the Specification of the machine listed at MC 01 (A)-B-5 is updated as "High speed warping machine for knitting with minimum closed creel capacity of 60 (in case of Split Warping machines for Warp Knitting only,) and minimum speed of 500 Mts/ Min and with servo motors and servo amplifiers"**

#### **Agenda No 15 : Consideration of Computerised flat knitting machine for shoe Vamps with width of Minimum 24":**

TAMC has decided in its 9<sup>th</sup> meeting held on 20.12.2017 that to include the machine "**Fully Computerised Flat Knitting machine for Shoe Vamps**" in the list of MC- 3 with following specifications.

- (i) Bed design and strong Take down roller capable to produce shoe vamps
- (ii) Width of the machine – maximum upto 40"

Based on the decision, Circular number 8(2017-18 series) dated 05.01.2018 under ATUFs has been issued. Now representation from industry received to include advance machinery of width more than 40" production and further informed that it is not viable to purchase the said machines less than 24" width.

#### **Decision of the TAMC:**

**TAMC after having detailed discussion, decided to update the specification of the machine as "Fully Computerised Flat Knitting machine for Shoe Vamps" with following specifications**

- (i) **Bed design and strong Take down roller capable to produce shoe vamps**
- (ii) **Width of the machine – *minimum of 24"***

#### **Agenda No 16 : Inclusion/Amendment of Machinery for conversion of non wovens under ATUFs**

Conversion of non-woven fabric is presently allowed under ATUFs. Here it is to mention that on the same pattern, laminated (with or without BOBP Film, Paper) PP fabric manufactured on circular looms, is being sent directly to Convertex machine for making block bottom bag, another fabric roll send to ultrasonic edge cutting and then to slitting machine for making of bottom patches and valve

patches as per requirement. These continuous patch rolls transfer to Convertex Machine where sack bottoms and bottom and valve patches are heated by hot air to soften the coating and then are joined together by intense pressure. The omission of any glue saves significant cost and avoids usage of solvents and the necessity for cleaning. There after handles / cuts top are to be fixed as per requirements. The technical literatures of these machines are attached. This machine can also produce block bottom valve bags for packaging of Cement, Chemical, Cattle Feed etc. These bags substantially reduce the leakage, and reduce the pollution due to leakage of cement in transportation.

It may be seen from the representation letter of Rajasthan Flexible Packaging Ltd dated 12.09.2019 that, JIT is rejecting the cases of above such machines due to ambiguity/insufficient description of eligible machinery and requested to consider the same.

In view of the above, the machinery already in the indicative list (Machinery for Manufacturing of Technical Textiles) at

**MC 3- i -8 ;Machinery for conversion of nonwovens into gowns / pillowslip / shoe covers / ice pack body / ice pack band sealing and cutting / hand bags / filter pocket /head rest cover / CD / DVD cover and other such items**

May be amended as

**MC 3- i -8 ;“Machinery for conversion of nonwovens / Laminated fabrics into gowns/ pillowslip/shoe covers/ ice pack body /ice pack band sealing and cutting /hand bags/ block bottom valve bags/ filter pocket/ head rest cover/ CD/DVD cover and other such items with or without ultrasonic slitting Machine / edge sealer”**

**Decision of the TAMC:**

**TAMC after having detailed discussion, as the machines are of advanced technologies and used to convert non woven / Laminated fabrics into “PACK-TECH” technical textile products, TAMC decided to update the specification of the machinery in the indicative list of Technical textiles as**

**MC 3- i -8 ;“Machinery for conversion of nonwovens / Laminated fabrics into gowns/ pillowslip/shoe covers/ ice pack body /ice pack band sealing and cutting /hand bags/ pinch bottom bags with block bottom bags /block bottom valve bags/filter pocket/ head rest cover/ CD/DVD cover and other such items with or without ultrasonic slitting Machine / edge sealer.**

**Agenda No 17 : Inclusion of machinery “TAPE EXTRUSION LINE” under ATUFS**

First Reliable industries, Khanna vide their letter dated 09.07.18 & 18.09.2019 and Knitwear Club, Ludhiana vide their letter 10.07.2018 & 22.01.2019 represented and requested to include “Tape Extrusion Line”. The Tape extrusion lines producing high quality PP/HDPE tapes for wide range of applications including production of woven & knitted bags, Jumbo bags, Carpet backings, tarpaulins, geo textiles, agro textiles, wrapping fabric, ropes and twines.

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**Decision of the TAMC:**

**The Committee decided that the said machine also falls under the synthetic yarn production which comes under spinning segment and hence should not be covered under ATUFS.**

**Agenda No 18 : Machine name and specification need clarity for establishing eligibility since there is ambiguity :**

(a) MC - 4 (38) Computerized High speed fully fashioned flat bed knitted garment manufacturing machine with speed of 10 rpm and above.

JIT in scrutinizing the claim has mentioned the speed of the above machine as 2000 RPM. Subsequently JIT has clarified upon query that the same is motor speed. Also it has been clarified that the speed of the installed two machines are 1.2 Mtrs/ Sec and 1.4 Mtrs / sec.

(b) M - 1 C (8) High performance Tricot Machinery with minimum 3 Bar and speed of 2300 rpm and above. & MC 1 C (9) Fully Fashioned Knitting Machines.

Unit has claimed High performance Tricot Machinery in UID application. Whereas in the Commercial Invoice issued by Karl Mayer, Description of the machine it is mentioned as -"Fully Fashioned knitting machine with the following configuration: High Performance Tricot machine for production of all 3 bar articles

It has been observed that the production speed / specification of the above machine is measured in Mts./ sec. The matter has been referred to Internal Technical Committee (ITC) for necessary inputs; however ITC has recommended the matter to TAMC for decision.

**Decision of the TAMC:**

(a) TAMC after having detailed discussion, decided to update the specification of the machine as

**"MC -4 (38) Computerized High speed fully fashioned flat bed knitted garment manufacturing machine with speed of 1.2 Mts/sec and above."**

(b) It has been decided to considered the machine under M - 1 C (8) High performance Tricot Machinery with minimum 3 Bar and speed of 2300 rpm and above.

**Agenda No 19 : Allowing High Sea Sales for RRTUFS cases converted to ATUFS.**

As per the Circular No.7 (2017-18) dated 05.01.18 issued by the Textile Commissioner, the enlistment of machinery manufacturer is not necessary in those cases where the term loan was sanctioned by the lending agency under RRTUFS but the unit was allowed to apply for subsidy under ATUFS. Thereby machines purchased from any manufacturer/ authorized agents are allowed for subsidy in respect of cases which were converted from RRTUFS to ATUFS.

In this context, representation has been received from RO Coimbatore suggesting that since enlistment of machinery manufacturer is not mandated for cases which are fall under RRTUFS loan sanction period, hence machines purchased under HSSA may also be allowed for claiming subsidy under ATUFS

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**Decision of the TAMC:**

**TAMC recommended that the machinery purchased through High Sea Sale Agreements may be allowed only to those cases where term loan is sanctioned under RR-TUFS period and the claim has been converted to ATUFS subsequently.**

**Agenda No 20 : Clarification on eligibility of machines purchased from different vendors in parts and assembled at site & acceptance of invoices from various vendors in case of surgical bleaching cotton line and non-woven machineries.**

The matter was placed before 3<sup>rd</sup> IMSC dated 27.002.2019 where it has been decided that 'the above arrangement will only be permissible for Technical Textiles and only to the extent of assembling two parts having two invoices. Further, specific applicability of such arrangements is to be examined by TAMC on technical angle and to be approved by Textile Commissioner. Accordingly, the case of Autotech Non Woven is placed before TAMC for decision on eligibility of claim.

**Decision of the TAMC:**

**M/s. Autotech Non Woven P Ltd, Surat has purchased Main part of "Film calendaring machine" from imported manufacturer and its other service parts of Film Calendaring machine from indigenous manufacturer vide two separate invoices. The machine consisting of both the parts is used for production of Technical Textile products. Accordingly, TAMC has decided to allow the film calendaring machine purchased in Two parts of M/s. Autotech Non Woven P Ltd, Surat (TUFS Ref.No.ATUFS/2016-17/1798). However the eligibility of the claim is subject to other eligibility conditions as per GR under ATUFS.**

***Supplementary Agenda (the agenda Point 08 and 11 (i) & (l)) was deferred by the 13<sup>th</sup> TAMC for the next meeting):***

**Agenda (1): Clarification of Circular No 09 (2016-17 series) dated 27.03.2017 for Submission of MoU**

Circular No 09 (2016-17 series) had been issued on 27/03/2017 for submission of MoU by the dealer/Subsidiaries or authorized agents for inclusion under ATUFS. In this regard it is submitted that subsidiary of a company cannot be an agent of a company.

Hence it is suggested that in case of subsidiary, the Parent unit has to provide a certificate issued by a appropriate Government authority therein mentioning the details of subsidiary company and commission charged by subsidiary, if any. As such subsidiary may not require to submit other documents. However they have to submit documental evidence from appropriate Government authority of their country. Further the Parent unit of subsidiary has to submit all the documents as specified by TAMC. The same issue was identified for **Karl Mayer Group of companies. (Total six units) and for M/S J.Zimmer Maschinenbau GmbH, Kalagenfurt, Austria and its second unit at Kufsten, Austria**

**Decision of the TAMC:**

**TAMC has decided that the Machinery manufacturer having subsidiary manufacturing units located in different countries who issue invoices on**

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**behalf of manufacturers may be considered for subsidy provided that they should not be the authorized agents / dealers selling on commission basis. However, the parent manufacturing unit should produce the certificate in this regard.**

**Agenda(2): Invoicing procedure and currency in respect of M/S Benninger AG, Switzerland**

M/S Benninger AG, Switzerland and their group companies (M/S Benninger Zell GmbH, Germany and M/S Kusters Textile GmbH, Germany) requesting this office the followings:-

1. Total invoicing shall be done by M/S Benninger AG, Switzerland with a currency CHF (Switzerland's currency)/Euro for the machines manufactured by M/S Benninger Zell GmbH, Germany and M/S Kusters Textile GmbH, Germany

2. Certificate of origin indicating origin country to be mentioned as Germany even though it is invoiced by M/S Benninger AG, Switzerland

Technical Committee deliberated on the matter and suggested that a declaration may be taken from the company regarding their selling units and procedure of billing. The Committee decided to place the matter before the TAMC for consideration.

In response to the above, the unit has submitted a detailed bifurcation of billing and the same is attached herewith.

The issue (Agenda Point 11 (d)) was deferred by the 13<sup>th</sup> TAMC for the next meeting.

**Decision of the TAMC:**

**TAMC has decided that the declaration / undertaking to be obtained from the parent Machinery manufacturer mentioning their billing unit to consider the procedure of billing.**

**Agenda(3): Condonation of cases beyond 06 months to apply for UID from the date of term loan sanctioned date:**

As on 24.09.2019 there are about 1043 nos of cases which are failed to apply for UID online under ATUFS through i-TUFS software. The list generated is from itufs software itself.

In this regard it is submitted that 2<sup>nd</sup> IMSC held on 23.03.2018 has decided at Column no A-2, (F/A), not to allow such cases and also denied the proposal for condonation of delay by TxC on case to case basis.

As such the proposal of condonation of cases where UID applications has not been submitted by the unit within 6 month period may not be considered.

**Decision of the TAMC:**

**TAMC has decided that this type of cases may not be allowed since it is decided in the 3<sup>rd</sup> IMSC meeting that industry should adhere to the time line prescribed in the guidelines and avoid approaching for condonation of timelines on account of flimsy reasons.**

**3. Condonation of JIT extension beyond Two years to submit JIT Claims**

(a) It is submitted that as per decision of 2<sup>nd</sup> IMSC all pending cases under RR-TUFS for UID has been converted to ATUFS. There are about 1393 nos of

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cases which are converted to ATUFS from RR-TUFS. However, relaxation for submission of JIT request was not extended at that time. Therefore it may be considered for submission of JIT request.

(b) 3<sup>rd</sup> IMSC has condoned the delay in submission of 455 nos of cases where lending agencies have failed to comply with the timeline. However, relaxation for submission of JIT request was not extended at that time. Therefore it may be considered for submission of JIT request.

**Decision of the TAMC:**

**TAMC has recommended that since the cases have been condoned by the IMSC, submission of JIT request may be allowed by the Textile Commissioner for filing of claims.**

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

*36/11/20*

**Annexure I**

**List of Participants of the 14<sup>th</sup> TAMC Meeting held on 25.09.2019**

<b>Sr.No.</b>	<b>Name &amp; Designation of the participants</b>	<b>Organization</b>
<b>Committee Members</b>		
1.	Shri Moloy Chandan Chakraborty, Textile Commissioner and Chairperson	Office of the Textile Commissioner
2.	Ms. Usha Pralhad Pol , Deputy Director General and Member Secretary	Office of the Textile Commissioner
3.	Ms. Saeeda Patel, Sr. Manger	AEPC
4.	Shri Mohan Sadhwani, Executive Director	CMAI
5.	Shri. Bharat. T, Charman	FIASWI, Surat
6.	Shri. S. Moitra, Director General	I.J.M.A.
7.	DR. K. Selvaraju Secretary General	SIMA/CITI
8.	Shri. Ravikumar, Joint Director	TEXPROCIL
9.	Shri. Charanjit Singh, General Secretary	Knitwearstex club & Knitware club (Regd), Ludhiana
10.	Shri. Raj Mittal , Tech. Consultant	Knitware club (Regd), Ludhiana
11.	Dr. Anup Rakshit, Executive Director	ITTA
12.	Shri. Sachin Kumar, Secretary	TMMA (I)
13.	Shri. H. K. Naik	Central Bank of India
14.	Shri. Dharasing Naik. K	Central Bank of India
15.	Shri. Atul kumar Hadole	Central Bank of India
16.	Shri. Ramesh T Rao Nodal Officer,	Bank of India
17.	Shri. Vikas Gupta	Bank of India
18.	Ms. Shikha Singh, Chief Manager	Punjab national Bank
19.	Shri. Chandan Haldar	Union Bank of India
20.	Shri. Azad Kaustubh, Manager	Bank of Baroda & Dena Bank
21.	Shri. Gaurishankar Rajkumar, Chief Manager	Bank of Baroda
22.	Shri. Rahul Khaparde, Officer	Bank of Baroda
23.	Shri. Nilanjan Haldhar, Chief Manager	State Bank of India
24.	Shri. Rajiv Ranjan AGM	State Bank of India
25.	Shri. Nitish Kumar	IDBI Bank
26.	Shri. Sahil	IDBI Bank
27.	Shri. KC Vaid	SIDBI
28.	Shri. Easwaran	SIDBI
<b>Invitees</b>		
29.	Shri S.P.Verma, Joint Textile Commissioner	Office of the Textile Commissioner
30.	Shri. V K Kohli Joint Textile Commissioner	Office of the Textile Commissioner
31.	Shri. Ajit Chawan, Joint Textile Commissioner	Office of the Textile Commissioner
32.	Shri R B Nair, Deputy Director	Office of the Textile Commissioner
33.	Shri Sivakumar. S , Deputy Director	Office of the Textile Commissioner
34.	Shri. Sourabh Mukharjee, Assistant Director	Office of the Textile Commissioner
35.	Shri. Narottam Kumar, Assistant Director	Office of the Textile Commissioner
36.	Shri. B K Sahoo, Technical Officer,	Office of the Textile Commissioner
37.	Shri.S.Kesavamoorthy, Technical Officer	Office of the Textile Commissioner
38.	Smt.R.Revathi, Technical Officer	Office of the Textile Commissioner

*36/11/19*