

MINISTRY OF TEXTILES  
OFFICE OF THE TEXTILE COMMISSIONER  
48, VITHALDAS THAKARSEE MARG  
NISTHA BHAVAN (NEW C.G.O. BLDG), MUMBAI – 400020  
Tel No. 022-22001050 Fax : 022-22004693 :: E-mail : atufs.mum-textiles@gov.in  
Website: [www.txcindia.gov.in](http://www.txcindia.gov.in)

F.No.12(7)/27<sup>th</sup>TAMC/ATUFS/2022/TUFS/173

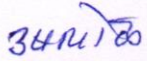
Date : 27.05.2022

Sub: Minutes of the 27<sup>th</sup> Technical Advisory Monitoring Committee Meeting (TAMC) under ATUFS and Previous Version of TUFS held at 2:30 p.m. on 13.04.2022-reg.

Sir/Madam,

The Minutes of the 27<sup>th</sup> Technical Advisory Monitoring Committee Meeting (TAMC) held at 2:30PM on 13.04.2022 in the Office of the Textile Commissioner for discussing the issues pertaining to ATUFS and Previous Version of TUFS and ratified in the 6<sup>th</sup> meeting of IMSC (Agenda no. 10 ) is enclosed herewith. The decisions of TAMC's 27<sup>th</sup> meeting shall be read with the decision of 6<sup>th</sup> meeting of IMSC.

Encl : as above.

  
(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.
4. Computer cell of O/o TXC Mumbai.

**Minutes of the 27th meeting of Technical Advisory-Cum-Monitoring Committee (TAMC) for discussing issues of ATUFS and Previous Versions of TUFS**

27<sup>th</sup> meeting of the Technical Advisory-cum-Monitoring Committee (TAMC) on Amended Technology Upgradation Funds Scheme (ATUFS) and Previous Versions of TUFS chaired by Ms. Roop Rashi, Textile Commissioner was held virtually at 2.30 PM on 13.04.2022 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: Confirmation of the minutes of the 26<sup>th</sup> TAMC meeting held on 22.03.2022**

Minutes of the 26<sup>th</sup> meeting of TAMC held at 12 noon on 22.03.2022 were circulated to all members. As no comment / suggestion is received from the members of TAMC, hence the minutes are treated as confirmed.

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

- a. Progress of utilization of allotted fund for the financial year 2021-22.

(Rs. in Crores)

S. No	Scheme	Allocation	Expenditure
1	ATUFS	650 (as revised with RE)	472.83
2	MTUFS		5.91
3	RTUFS		4.42
4	RRTUFS(bank routed )		127.78
5	RRTUFS (MMS)		14.04
6	OAE		0.7
	<b>Total*</b>		<b>625.68</b>

\* as on 31.03.2022

Total 2855 cases are settled under all versions of TUFS (2513 cases settled under ATUFS, 342 cases under previous version of TUFS viz. MTUFS, RTUFS, RRTUFS and RRTUFS-MMS) in FY 2021-22. The final budget allocated was fully utilized in 2021-22

**b. ATUFS (position as on 31.03.2022):**

UIDs are being auto generated w.e.f. 9th August 2019. As on 31.03.2022, total 14392 UIDs with provisional subsidy ₹ 4963.25 Cr. with project cost of Rs. 69163.03 Cr. have been generated. Segment wise details are given below-

#	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

*34/12/20*

8	Weaving(10% CIS)	8371	23182.03	1733.47
<b>TOTAL</b>		<b>14392</b>	<b>69163.03</b>	<b>4963.25</b>

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

All the members of TAMC acknowledged and appreciated sincere and consistent efforts made by the team of officers at Office of Textile Commissioner for expediting settlement of claims in 2021-22. This was despite the covid constraints impacting operability across the board. They further added that in terms of number, claims settled since inception of the scheme is the highest during FY 2021-22.

**Agenda No. 3: Admissibility of claims involving multiple invoices with different dates for the same machine where some invoices are prior to term loan sanction date.**

The above agenda was discussed during 14<sup>th</sup> TAMC meeting held on 25.09.2019. Decision of the 14th TAMC along with Agenda point no. 8 is reproduced below:

*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 13th August 2019, this para is applicable for claims where UID application has been made on or after 02.08.2018.*

***Decision of the 14th TAMC: 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.***

In this context, clarity on the eligibility criteria of the above decision of 14<sup>th</sup> TAMC is required for value of the invoices prior and post term loan sanction dates are exactly 50% of the total value of machines.

TAMC may deliberate and decide on the above issue.

***Decision of 27<sup>th</sup> TAMC:*** It was decided that if the value of the invoices issued post term loan sanction date constitute exactly 50 % or more of the basic cost of eligible machine then the entire invoices of the machine will be considered eligible for subsidy under the scheme.

**Agenda No. 4: Representation received from Surat Texmac Federation for clarification on identification whether Shuttleless looms are new or old at the time of import.**

In view of decision of 25th TAMC agenda no. 6(ii) in cases where Name of machine manufacturer is mentioned in COO as third party /'via'/on behalf where import of machine is not covered under EPCG scheme are not considered. As there is a possibility that such procured machine(s) is either second hand or refurbished which is not permissible under

ATUFS.

The Surat Texmac Federation vide their letter dated 12.02.2022, has represented that as per the customs notification 50/2017 dated 30.06.2017, tariff fixed by customs for purchase of New and old machine(s) are different. The provisions of customs tariff issued vide the said notification 50/2017 are detailed below:

S.No.	Chapter or Heading or sub-heading or tariff item	Description of goods	Standard rate	Condition No.
460.	8446 8448	The following goods ( <b>other than old and used</b> ) for use in the textile industry, namely: -		
		(i) Shuttle less looms;	Nil	--
		(ii) parts and components for manufacture of the goods at (i)	Nil	9
461.	8444, 8445, 8446, 8447, 8448, 8449	All goods	5%	-
461-A Inserted by Notification No. 72 /2018- Customs 28.09.2018	8448	The following goods, namely: - (i) High Speed Dobby mechanical or electronic (300 rpm and above) (tariff item 8448 19 00); (ii) High Speed Jacquard mechanical or electronic (300 rpm and above) (tariff item 8448 19 00); and other (full notification 72 /2018-Customs 28.09.2018 attached herewith)	Nil	--

HS Code Description and their applicable Basic Customs Duty (BCD) %

Sr. No	Hs Code	Description of Machines	BCD %	Applicable Sr. No. of customs notification
1	84463090	<b>New Shuttle less Waterjet Looms</b>	<b>0%</b>	<b>Sr.460 (i) ofNoti. No. 50/2017</b>
2	84481900	Electronic Jacquard / Jacquard (300 rpm and above)	0%	Sr.461 A ofNoti. No. 50/2017
3	84463090	Shuttleless Rapier Loom	0%	Sr.460 (i) ofNoti. No. 50/2017
4	84463090	Old or Refurbished Shuttle less Waterjet Looms	5%	Sr.461 ofNoti. No. 50/2017
5	84463090	Old or Refurbished Shuttle less Rapier Loom	5%	Sr.461 ofNoti. No. 50/2017

The Federation further states that, based on the above notification and HS code of the imported Goods, the customs department allow/exemption of BCD after proper assessment and examination by the customs department and same is described in the Bill of Entry. From the above description and applicable Sr. No. of customs notification mentioned on Bill of Entry one can assess the imported goods are new or used.

As the New machinery will attract 0% BCD and Old or Used machinery will attract 5% BCD. IGST applicability on New or Old is 18%.

The Federation has also suggested to take installation certificate of independent Chartered Engineer of the claimed machines for further confirmation on imported machine is new or used as the decision for imported machines @0% BCD + 18% IGST was not taken in the 23rd TAMC

TAMC may deliberate and take a view in the matter.

**Decision of 27<sup>th</sup> TAMC:** The agenda was deferred as the matter needs examination and verification of the interpretation of the Customs notification.

**Agenda No. 5:-Issues pertaining to Previous Versions of TUFs discussed in 3<sup>rd</sup> meeting of the Internal Committee under previous versions of TUFs (MTUFs, RTUFs and RRTUFs), held at 04.30 pm on 31<sup>st</sup> March, 2022**

**Sub Agenda No. 1:-Variation in segment declared in UID and actual**

Three accounts of the same entity with three UIDs under RRTUFs having similar issue mentioned as under:

In the three JIT reports of these three accounts, it has been mentioned that in UID segment is Technical Textiles while the unit is actually involved in production of Texturized Yarn & Knitted Fabrics, hence unit is ineligible in terms of IR and CS under Technical Textiles.

Under RRTUFs, outlay is earmarked into two categories i.e., spinning and other (non-spinning) only. Sectoral caps were prescribed for these two broad segments. Hence the proposed segment change within the category does not violate the subsidy cap earmarked for the category. JITs and RO have not recommended the claims due to variation in segment.

**Decision of the 3<sup>rd</sup> meeting of the Internal Committee:** The Committee deliberated and is of the view that JITs and Regional Office have not recommended the claims due to variation in the segment declared in UIDs and the segment in which the unit is actually involved. As per the actual production activity of the unit i.e., Production of texturized yarn and knitted fabrics, they are eligible for 5% interest reimbursement subsidy (IR) per se. Under RRTUFs, the subsidy was earmarked to spinning and to other (non-spinning) segments. Also, GR under RRTUFs is silent on consideration of modification/change in segment in UID. Change in the segment within the other (non-spinning) segments does not result in change in earmarked subsidy. Hence, the Committee is of the view that the change of segment within other (non-spinning) under RRTUFs within overall committed liability mentioned in UID subject to fulfillment of all other conditions under the scheme may be considered. It was decided that the matter may be placed in TAMC for taking it up with IMSC as it is outside the purview of GR under the scheme.

**Decision of 27<sup>th</sup> TAMC:** TAMC considered that under RRTUFs, the subsidy was earmarked to spinning and to other (non-spinning) segments. Also, GR under RRTUFs is silent on consideration of modification/change in segment in UID. Change in the segment within the other (non-spinning) segments does not result in change in earmarked subsidy. Hence, TAMC viewed that the change of segment within other (non-spinning) under RRTUFs within overall committed liability mentioned in UID subject to fulfillment of all other conditions under the scheme may be recommended and taken up with MoT as GR under the scheme is silent on the issue. However if there is Percentage change in case of admissible IR then it will be restricted to the lowest

**Sub Agenda No. 2:-To consider A-1 Format in place of RR-1 and RR-2**

R.O. Noida has informed that some of the nodal banks giving reporting Formats A-1 instead of RR1 and RR2 which has been prescribed vide protocol citing the reasons that RR1 and RR2 is not available with the bank. Despite repetitive return of application by RO, the banks are submitting the application with A-1 Format only. (Copy of A-1, RR1 and RR2 formats attached at Annexure I)

As per the decision taken by IMSC in its 4<sup>th</sup> meeting held on 04.09.2014 regarding the procedure for submission and processing of the claims under TUFs, MoT vide OM No. 6/18/2014-TUFs dated 29-10-2014 had forwarded the brief guidelines on Technology

Upgradation Fund Scheme (TUFS). According to the said OM, the entrepreneur will ensure that the documents required for obtaining UID are submitted to the banks within six months of the sanction of Term Loan and also furnish information to the Textile Commissioner in Format A1 along with relevant documents such as DPR, Bank's sanction letter regarding Term Loan.

Office of Textile Commissioner vide, circular No.2 (2014-2015 series) dated 03.12.2014 has informed to **all Stakeholders that the process for development of comprehensive software for management of TUFS in this regard is under progress.** Therefore, the relevant Forms/Check Lists are not yet digitized and hence presently not available online. Therefore, all lending agencies were advised that till such time the Forms/Check Lists, which were to be put in the online system, duly filled in and signed scanned copies thereof may be sent to the office of the Textile Commissioner till entire process of management of the scheme is started through comprehensive software of TUFS. The i-TUFS portal has been made operational during November, 2015 and till that time entrepreneurs were furnishing information to the Textile Commissioner in Format A1.

**Decision of the 3<sup>rd</sup> meeting of the Internal Committee:** The Committee deliberated and is of the view that details required in Reporting Formats RR-1 and RR-2 are there in Format A1 and hence Format A1 may be accepted. However, for consideration of the decision of the Internal Committee, it needs to be sent to TAMC and MoT as RR1 and RR2 are the part of protocol.

**Decision of the 27<sup>th</sup> TAMC:** TAMC deliberated and considered that Format A1 comprises data captured in RR-1 and RR-2 and is more inclusive. In fact RR-1 and RR-2 is sub-set of Format A1. By accepting Format A1 there will be no compromise on the details of RR-1 and RR-2. Hence, TAMC viewed that Format A1 may be considered and approval of MoT may be sought as RR-1 and RR-2 are mandatory as per the Protocol .

### **Sub Agenda No. 3: Non-availability of Reporting Formats N-1 and N-2 for MTUFS.**

For MTUFS, N-1 is reporting format submitted by the branch of the bank to their TUFS Cell/Nodal for examination of eligibility of the project/term loan for subsidy under TUFS. Whereas N-2 is reporting format for submitting actual TUFS related specifications of the plant and machinery/equipment proposed under the project. Based on the N-1 and N-2 documents, TUFS Cell of the bank determines eligibility of the project and term loan eligible for interest reimbursement.

N-1 contains information on the basic details of the unit (name, address, PAN No., SSI/Non-SSI status, company status), existing capacity, proposed capacity, project cost and term loan details.

N-2 contains list of machines proposed to be acquired along-with basic cost and annexure of the GR under which it is covered.

RO Noida has informed about non-availability of Reporting Formats N-1 and N-2 documents which is mandatory as per the protocol.

For N-1 the corroborative /equivalent document could be DPR/project report submitted to the bank with loan application, registration certificates with Government authorities. For N-2 the equivalent document could be extract of the project report providing the machines proposed to be purchased, extract of the internal process note of the eligibility assessment under the scheme wherein the total basic cost amount of machines considered eligible under the scheme is available.

**Decision 3<sup>rd</sup> meeting of the Internal Committee:** The Committee deliberated and is of the view that eligibility is determined by TUFs Cell of the bank on the basis of Reporting Formats N-1 and N-2 submitted by the branch of the concerned bank. Hence equivalent document/corroborative document in place of N1 and N2 may be considered. However, for consideration of the decision of the Internal Committee, it may be placed before TAMC and MoT as the document is mandatory as per the protocol.

**Decision of the 27<sup>th</sup> TAMC:** TAMC deliberated and considered that documents like DPR/project report submitted to the bank with loan application, registration certificates with Government authorities and extract of the project report providing the machines proposed to be purchased, extract of the internal process note of the eligibility assessment under the scheme wherein the total basic cost amount of machines considered eligible under the scheme will provide the details captured in N-1 and N-2. Hence, TAMC viewed that these documents may be considered as equivalent document/corroborative document in place of N1 and N2 and approval of MoT may be sought as N-1 and N-2 are mandatory as per the protocol.

#### **Agenda No 6: Decisions of ITC for ratification by 27<sup>th</sup> TAMC**

##### **Sub Agenda no. 1: For ratification of machinery manufacturer/authorized agents enlistment**

Enlistment of 39 machinery manufacturer/authorized agents as per Annexure-II recommended by Internal Technical Committee (ITC) in its 35<sup>th</sup>, 36<sup>th</sup>, 37<sup>th</sup> meeting held on 27.01.2022 and 10.02.2022, respectively is placed before the TAMC for ratification.

**Decision of 27<sup>th</sup> TAMC:** The TAMC has ratified the decision of enlistment of 39 machinery manufacturer/authorized agents as per Annexure-II recommended by Internal Technical Committee (ITC) in its 35<sup>th</sup>, 36<sup>th</sup> and 37<sup>th</sup>, meetings.

**Sub Agenda no. 2 (Agenda Point No. 2.2.b of 33 ITC):** Cases forwarded by ATUFs Cell The name of the machine claimed by the unit under MC-04-113 is mentioned as 'PLC controlled fully automatic flatbed screen printing machine with pneumatic blanket control' in the Invoice raised by the manufacturer's M/s. KTK Maquinas Equipamentos Industriais, LDA, Portugal. & M/s. S Roque Mauinas E Tecnologia Laser S.A., Portugal. However, the JIT has certified the machine as Comp. Multi Head Printing Machine for Garment and Garment Panel under MC-4-113. The manufacturer has also confirmed that the machine is Computerized Multi Head Screen Printing Machine having 12 Heads used for printing Garments and Garment Panels.

**Decision Taken in 33 ITC:** The committee was of the opinion that the JIT should confirm whether the Comp. Multi Head Printing Machine is PLC based or of a higher technology.

**Decision of 27<sup>th</sup> TAMC:** The agenda is to be dropped as ITC has not concluded on it.

**Sub Agenda no. 3 (Agenda Point No. 2. of 35 ITC):** Cases forwarded by ATUFs Cell TUFs Cell has vide Note dt. 13/01/22 forwarded the case of a unit who has purchased Weft Inserted Warp Knitting Machine from M/s. Karl Mayer. The machine was dispatched in two parts with two invoices, one part from Germany and one part from China. For both the invoices, Country of Origin is issued by the machine manufacturer. M/s. Karl Mayer vide letter dt. 26/11/2021 has clarified that according to European Law, registration under

Registered Exporter System (REX) is not required for exports from the EU or China to India because it is only provided as under:

- Under some free trade agreement (FTAs),
- In the Generalised System of Preferences (GSP) of the European Union and
- In trade in goods with the Overseas Countries and Territories.

In all other cases the machine manufacturers are allowed to self certify the COO. For new machines, a certificate of origin issued by the German Chamber of Industry and Commerce can be issued if required.

The 24<sup>th</sup> TAMC has decided that all such matters may be deliberated in the Internal Technical Committee and then placed before TAMC for deciding acceptability on a case to case basis.

**Decision Taken in 35<sup>th</sup> ITC:** After discussion in the matter the committee decided that the manufacturer may either get a certificate from the German Chamber of Commerce or get the COO countersigned by the German Chamber of Commerce or any other competent authority. The said recommendation of ITC may be forward to TAMC for its concurrence.

**Decision of 27<sup>th</sup> TAMC:** The committee opined to hold further deliberation on the subject matter with manufacturer/ association. Hence, the agenda is to be deferred for next TAMC.

**Sub Agenda no. 4 (Agenda Point No. 2.2 of 35 ITC):** TUFS Cell has vide Note dt. 04/01/2022 forwarded the case of M/s. Shrishti Apparels who has purchased Textile manufacturing machines from M/s. Tubular Textile Machinery Inc. USA. The certificates of origin for the said machines were issued by the Manufacturer himself. The Manufacture has submitted certain documents in respect of the Rule position / policy of the exporting country with regard to COO. Accordingly as decided in the 24<sup>th</sup> TAMC the matter is placed before the Internal Technical Committee for a decision in the matter.

**Decision Taken in 35<sup>th</sup> ITC:** After discussion in the matter the committee decided that the manufacturer may either get a certificate from the Indo American trade chamber of the respective country or get the COO countersigned by them or any other competent authority. The said recommendation of ITC may be forward to TAMC for its concurrence.

**Decision of 27<sup>th</sup> TAMC:** The committee opined to hold further deliberation on the subject matter with manufacturer/ association. Hence, the agenda is to be deferred for next TAMC.

**Sub Agenda no . 5 ( Agenda Point No. 2.3 of 35 ITC ):** TUFS Cell has vide Note dt. 24/01/2022 forwarded the representation of M/s. Autotech Non-WovensPvt. Ltd., who has purchased 4 machines from M/s. Yamuna Machine Works Limited, Vapi. All the four machines were purchased by the unit in 2016. The name plates are found attached with the machine, mentioning the model, machine serial number and year of manufacture with marker pen in contradiction of the extant guidelines. Out of the four machines, on three machines the details such as name of machine manufacturer, machine serial number and manufacturing year is shown on the PLC screens while starting the machine.

As per M/s. Autotech Non-WovensPvt. Ltd., they have complied with the guidelines applicable at the time of purchase of their machine i.e. the stipulation at para 6.4 step -3, installation of machinery, sub-para No. 6.4.2 of ATUFS guidelines published vide GR dated 29<sup>th</sup> February, 2016. The make, month/year or manufacture, name of the manufacturer, and