MINISTRY OF TEXTILES OFFICE OF THE TEXTILE COMMISSIONER 48, VITHALDAS THAKARSEE MARG

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Date: 12/03/2025

Sir/Madam,

Minutes of 41st Meeting of Technical Advisory-Cum-Monitoring Committee (TAMC) for discussing issues of ATUFS and Previous Versions of TUFS held in the office of the Textile Commissioner at 11:00 AM on 13.02.2025 through hybrid mode is enclosed herewith.

Encl: as above.

(D. Ravikumar) Director

To,

1-All members of TAMC Meeting

Copy to:

- 1. PS to TXC: For kind information
- 2. US (TUFS), MOT New Delhi
- 3.M/s STTL Ahmedabad
- 4. Computer cell, office of the TxC Mumbai

Minutes of 41st Meeting of Technical Advisory-Cum-Monitoring Committee (TAMC) for discussing issues of ATUFS on 13.02.2025 through hybrid mode

The 41st 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 held at 11:00 a.m. on 13.02.2025 through hybrid mode. List of participants is enclosed as **Appendix I**I

Agenda No.1:

Minutes of 40th meeting of TAMC held on 23.12.2024 were circulated to all the members on 02.01.2025 and no comments have been received, hence minutes are treated as confirmed.

Agenda No. 2: Review of Progress of TUFS as on 10.02.2025

a. Progress of utilization of allotted fund for the financial year 2024-25.

| S. No | Scheme | Allocation(BE)/(RE) Rs. in Cr. | Expenditure Rs. in Cr. |
|-------|------------------------|--------------------------------|------------------------|
| 1 | ATUFS | | 289.43 |
| 2 | MTUFS | | 1.16 |
| 3 | RTUFS | 635(BE) | 1.88 |
| 4 | RR-TUFS (bank routed) | 390 (RE) | 18.85 |
| 5 | RR-TUFS (MMS) | hal banditrues askerate. | 0.28 |
| | Total | | 311.6 |

b. Segment wise details of UIDs issued & Subsidy released under ATUFS as on 10.02.2025:

| S. No | Segment Name | Effective UID | Project Cost Rs. in Cr. | Provisional Subsidy Rs. in Cr. | Subsidy released Rs. in Cr. |
|----------|--|------------------|-------------------------------|--------------------------------------|--------------------------------------|
| 1 | Garmenting (15%CIS) | 1133 | 2788.0 | 301.4 | 109.4 |
| 2 | Multi activity (10%CIS/15%CIS) | 2032 | 30550.2 | 1965.4 | 731.25 |
| 3 | Processing (10% CIS) | 1482 | 6085.8 | 414.8 | 207.9 |
| 4 | Technical Textile (15% CIS) | 458 | 3924.9 | 374.5 | 173.4 |
| 5 | Weaving (10% CIS) | 7768 | 22162.2 | 1662.0 | 1230.04 |
| 6 | Other (Handloom, Jute, Silk) (10% CIS) | 52 | 92.3 | 6.8 | 0.37 |
| 0. | TOTAL | 12925 | 65603.3 | 4724.8 | 2452.9 |

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The progress and above data noted by TAMC.

The TAMC members, stakeholders of sector, also appreciated the achievement of settlement of ~97% claims even after huge manpower shortage of 100% vacancy in senior officer level (Additional Textile Commissioner (1) and Joint Textile Commissioners (4)and 55 % vacancy at the level of Director and Deputy Director (Technical). Further members stated that efforts are commendable as all officers including deputed in field are working with dua/triple charge as well as HQ. They wanted to put it on record.

Agenda No. 03: Agenda referred by verticals of HQ and Regional office

1- Matter related to post facto condonation (one case) for beyond 88 days of JIT inspection on receipt of JIT request.

The JIT request form the unit was received on 30.10.2022 and accordingly the last date for conducting JIT verification (88 days) was 09.01.2023. However, the JIT verification was started with effect from 09.01.2023 and completed on 10.01.2023 i.e. Inspection started within 88 days but inspection completed on 89th Day and JIT report along with Geotagged photos uploaded on 11.01.2023 within two days of JIT initiation and within one day of JIT completed. Reason of this delay was on account of voluminous machineries and linked documents (10 different type of machineries)

TAMC may deliberate and decide on above issue.

Decision of 41st TAMC:- TAMC Recommended the condonation being a procedural matter. Since Condonation requires approval, TAMC recommended to place in forthcoming IMSC

Agenda No. 04: - Committee constituted for examining the representation received from Federation of Indian Art Silk Weaving Industry Mumbai in support of higher machine cost observed in various claims

Committee has been constituted vide Office Memorandum No. 12(2877)/JIT/ATUFS/2022/TUFS/210 dated 19.12.2024 to examine representation received from FIASWI to Hon'ble Minister of Textile which is reproduced below:

Renowned Technical Textile Manufacturer is producing high end fabrics, water/fire resistance used in making parachute for Defense Aeronautical Sector etc. Hence their installed Machines Technology is very high and different than the regular fabrics manufacturing machines. FIASWI has informed such cases have been referred to lending agency due to higher machines cost compare to others similar machines. FIASWI has also informed that machine supplier has provided reason for high price by giving additional feature/configurations and there is no clear guideline or pricing list prescribed under ATUFS Scheme and requested to not to compare the high end fabric making machine price with regular machine.

Detail of regular machines purchased directly from machine manufacturer: -

| S.N. | | Machine supplier | Machine Model No. | Width (CM) | Specification | Unit Price in USD |
|------|----------------------------|--------------------------|----------------------|------------|---------------|-------------------------|
| (i) | | M/s Hangzhou | JW-772CG-R | 190 | MLO/MTU | 16100 |
| | Units | Yinchun | JW-672CG-R | 190 | ELO/ETU | 22350 |
| | producing normal fabric | Machine Co. Ltd China | JW882CR | 190 | ELO/ETU | 17325 |
| (ii) | | M/s Zhejiang | JW-772CG-R | 190 | | 17363 |

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| | Yinchun | JW-672CG-R | 190 | 2 | 21776 |
|-------|-----------------|------------|-----|---|-------|
| 0.000 | Machine Co. Ltd | JW-672CG-R | 280 | | 23910 |
| | China | JW-673CG-R | | | 26820 |
| | | JW-772CG-R | 280 | | 19303 |

Detail of reinforced body machines (suitable for high end fabrics manufacturing) purchased through Authorized agent of Machine Manufacturer: -

| S.N. | Name of Unit & TUFS Ref No. | Machine supplier | Machine Model No. | Width (CM) | Specification | Unit Price in USD |
|-------|--|---|----------------------|------------|--|----------------------------|
| | | | JW-772CG-R | 170 | Pick Variation, | 29520 |
| (i) | | M/s NIUPAI | | 230 | ELO/ETU | 30525 |
| | Technical Textile Manufacturer (producing high end | International Limited, Honkong Authorized Agent of M/s Hangzhou Yinchun Machine Co. Ltd China | | 280 | System | 32908 |
| | fabrics, water/fire resistance | M/s NIUPAI | JW-772CG-R | 230 | Pick Variation, ELO/ETU System | 35120 |
| (ii) | used in making parachute for | International Limited, HonkongAuthorized | JW-771C-R | 230 | Reinforced body, MLO/MTU | 21188 |
| (11) | Defense Aeronautical Sector etc.) | Agent of M/s ZhejiangYinchun | JW-781C-R | 230 | Reinforced beta body, ELO/ETU | 27088 |
| | | Machine Co. Ltd China | JW-782C-R | 280 | Reinforced beta body, ELO/ETU | 30621 |
| (iii) | | | JW-772CG-R | 210 | Pick VariationReinf orced body, ELO/ETU | 33719 |
| (iii) | | | JW-772CG-R | 230 | Pick Variation Reinforced body, ELO/ETU | 36644 |

The committee examined the case in depth and observed the following: -

- (a) The case was earlier processed by the ATUFS section and the section decided to refer the lending agency as the machine cost was observed 50% higher than the machine cost purchased by the other units. In this regard, the bank replied to this office stating that "The Term Loan account No. 37469751586 has been closed on 04.07.2023 and there is no existing credit facility /current account with our branch"
- (b) Further, it is observed that the authorized agent of the machine manufacturer has provided the cost breakup of the machine for the cost @ 2992 USD of extra

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guarantee/assembling and cost of spare parts and @ 5960 USD cost of reinforced machine body, reinforced beat up, heavy duty cams (suitable for weaving of fabric used for manufacturing technical textiles product i.e. parachute).

- (c) Subsequently, this office also received the communication from machine manufacturer regarding high price and cost break-up for two different width of the machines.
- (d) While comparing the basic price of the machine from the above table, it is observed that only model is same i.e. **JW-772CG-R** in respect to Technical Textile Manufacturer and other Normal Fabric Manufacturers. While Other machines having different models.
- (e) For the same model also, it is observed that the width of the machine is 170 cm, 210 cm, 230 cm and 280 cm in respect to Technical Textile Manufacturer. and 190 cm in respect of Normal Fabric Manufacturer.
- (f) An example is given below: -
 - (i) Basic cost of 190 cm model no. **JW-772CG-R** is USD 17363 and 16100 (**MLO/MTU**) purchased by other unit (producing normal fabric) directly from Machine manufacturer
 - (ii) Cost details same model no. **JW-772CG-R** procured by Technical Textile Manufacturer is given below:

| Model | Width | Details | C. I. Hat |
|------------|-------|---|--------------|
| JW-772CG-R | 170 | | Cost in US\$ |
| | 230 | Pick Variation, ELO/ETU | 29520 |
| | | System | 30525 |
| JW-772CG-R | 280 | | 32908 |
| | 230 | Pick Variation, ELO/ETU System | 35120 |
| W-772CG-R | 210 | Pick Variation Reinforced | 33719 |
| W-772CG-R | 230 | body, ELO/ETU Pick Variation Reinforced | 26611 |
| | | body, ELO/ETU | 36644 |

(g) From the above, it may be seen that though the model is same, the width are different. The average price of above all six machines is US \$ 33072. Further, it is also observed that though both are of same model, the machine procured by Technical Textile Manufacturer is equipped with electronic let off and electronic take up while another one unit procured with mechanical let off and mechanical take up (US\$ 16100).

In view of forgoing the committee recommended on 30.01.2025 that the basic price of the machine procured by Technical Textile Manufacturer after deduction of cost @ 2992 USD of Extra Guarantee/Assembling, Spare parts and @ 5960 USD Cost of Reinforced machine body, reinforced beat up, heavy duty cams (suitable for weaving of fabric used in manufacturing of technical textiles product i.e. parachute). Further, as the case was earlier placed in TAMC, the competent authority decided to place the same before TAMC for decision.

Decision of 41st TAMC:- TAMC accepted the analysis of committee constituted for examining higher machine cost observed in various claims and approved to process the claims by deducting the cost @ 2992 USD of Extra Guarantee/Assembling, Spare parts and @ 5960 USD Cost of Minutes of 41st meeting of TAMC held on 13 02 2025

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Reinforced machine body, reinforced beat up, heavy duty cams, for calculating basic cost of machine as per the GR under ATUFS.

Agenda No. 05: - Term loan takeover more than once under ATUFS.

As per para 5.4 GR on ATUFS dated 29.02.2016 mentioned that "Outstanding principal amount of the loan account under this scheme from one lending agency can be transfer to another lending agency only once subject to the condition that portfolio (i.e. balance principal amount) remains unchanged"

While in RR on ATUFS dated 02.08.2018 mentioned that "The Outstanding principal loan amount can be transfer from one lending agency to another lending agency subject to the condition that portfolio remains unchanged"

Accordingly meeting was convened with Bankers through Video Conferencing on 04/11/2024 to discuss about the implications of the consideration of two times takeover of Term loan accounts under ATUFS

Director (ATUFS) accessed the views/comments from the all participant Bankers about the implications of the consideration of two times takeover of Term loan accounts under ATUFS. All the participated Banks viz. Kotak Bank, Union Bank, Saraswat Bank and Punjab National Bank opined that there is no problem if the claims are considered where two times term loan taken over have been taken places under ATUFS. Further, all the participant Banks had opined that feedback from other major FIs/Banks would be much better before taking the final decision in this regard.

Accordingly, Matter is being placed for discussion and deliberation as Revised GR dated 02.08.2018 is silent on the issue.

Decision of 41st TAMC:- In the initial GR (2016), Takeover of outstanding amount of term loan from one lending agency to another lending agency was allowed one time only however in the GR dated 2018 such restriction was indicated. Bankers has informed that during the taken over of outstanding principle amount from one lending agency to another lending agency, the Asset hypothecation/securities also transferred to current lending agency.

TAMC recommended to allow take over of term loan from one lending agency to another lending agency multiple times subject to due securitization of asset being supported with taking over Bank.

Further matter related to interpretation/cut off date in GR, may be recommended to MoT/IMSC for approval for all cases under ATUFs as there is no financial implications for cases supported with Capital investment subsidy.

Agenda Point No-6:-(Agenda Point No-01 of 78th ITC meeting): Enlistment of 1 (One) Indigenous authorized agent as per Annexure-l recommended by Internal Technical Committee (ITC) in its 78th meeting dated 13.01.2025.

The Committee may deliberate and ratify the decision

Decision of 41st TAMC:- TAMC ratified the decision of 78th ITC

Agenda Point No-07 (Agenda Point No 03 of 78th ITC meeting): Agenda from the 73rd ITC meeting: Only Logo available in machine name plate - MAICA brand machines from M/s. Jack Sewing Machine Co. Ltd. China (Case forwarded by RO-Noida) Page 5 of 8 fres,

Minutes of 41st meeting of TAMC held on 13.02.2025

RO-Noida vide letter no. 11(1873)/21/ATUFS/RON/54 dated 03.11.2023 requested to place below case regarding only logo available in machine name plate without machinery manufacturer's name. M/s. Richa & Co. (ATUFS/2021-22/358) purchased below MAICA brand machines from M/s. Jack Sewing Machine Co. Ltd. China wherein only the brand name is available in the machine name plate.

| Sr. No | Machine Type | Model No. | RO remarks as per machine Name plate | Manufacturer declaration |
|-----------|--------------------------------|--------------|---|---|
| 1. | Placketing | UAMO4 | Bee symbol with M.A.I.C.A. | As per the trade practice the Logo was mentioned in the Machine Plate. |
| | Machine | | Bar code mentioned below Mfg. No | • This type used for automatic models and bar code contains all relevant information. |
| 2. | Automatic pocket attaching | UAM 01 | Bee symbol with M.A.I.C.A. | As per the trade practice, the Logo was mentioned in the Machine Plate. |
| ol ha | machine | | No bar code | • This type used for advanced models. |
| 3. | Collar Point trimmer /Notch | 3006 | M.A.I.C.A. S.R.L | Manufacturer/trade name mentioned. |
| o melo | making machine | | | This type used for regular/old models already in market. |

In this regard, RO- Noida submitted Invoice Copy (issued by M/s. Jack Sewing Machine Co. Ltd), Name plate photo and Manufacturer declaration along with clarification.

Ro-Noida View/Comments as per 60th ITC decision: It is submitted that as per documents and machine plate provided at the time of JIT, the details of branding practices are matching with the reply of machinery manufacturer.

Section observations:

In the 66th ITC dated 25.05.2023, the Committee recommended for accepting the billing of MAICA brand machines manufactured by M/s. M.A.I.C.A SRL, ITALY, by M/s. Jack Technology Co. Ltd., China formerly known as M/s. Jack Sewing Machine Co. Ld., China which was ratified in the 34th TAMC dated 30.06.2023.

The Manufacturer submitted Logo/Trade mark certificate in the name of M/s. Jack Sewing Machine Co. Ld., China.

- Bee symbol with M.A.I.C.A. Certificate No. 25147781
- M.A.I.C.A. Certificate No. 23693122

<u>Decision taken in the 73rd ITC meeting:</u> The Committee decided to call for clarification from manufacturer as to why they are using different branding practices for different models whereas

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the model number itself describes the variants of machine/technology. The Committee also directed TMB section for further detailed study and bring back the case in next ITC meeting.

This section has called the details as per the 73rd ITC direction and now the Director-India Operation; Shri Sudhakar Verma stated that they had already been submitted their reply as cited above. Hence, the case is again placed for deliberation and decision in the ITC.

<u>Decision Taken in 78th ITC:</u> The Committee reviewed the documents and explanations submitted by the Manufacturer. The Committee noted that the Manufacturer is holding the Trademark certificates for both MAICA brand & MAICA brand with Bee symbol. The Manufacturer is using the brand name and symbol on machine name plate based on technology of the different models as per the explanation given by the Manufacturer in the aforesaid table. The Committee recommended the case for release of subsidy, if other conditions of ATUFS are met as per GR.

Decision of 41st TAMC:- TAMC ratified the decision of 78th ITC

Meeting ended with vote of thanks to the chair.

Annexure-I

Manufacturer Name Recommended by Internal Technical Committee in its 78th meeting held on 13.01.2025

List of Authorized Agents

| S No. | Sr. No. (Annexure- III) | Name of the Unit | Commission % |
|-------|-------------------------------|---|--------------|
| 1 | 571 | M/s. IIGM Pvt. Ltd., New Delhi (Auth. Agent of M/s. Yamato Sewing Machine Mfg. Co. Ltd., Japan (Principal) and its subsidiary M/s. Yamato Sewing Machine Ningbo Co. Ltd., China and M/s. Yamato (Hong Kong) Co. Ltd., Hong Kong | |

Annexure-II

list of participants

- 1.Ms. Roop Rashi, Textile Commissioner In Chair
- 2. Shri Iqbal Ahmad, Director, O/o TxC Mumbai
- 3. Shri S. K. Singh Director, O/o TxC Mumbai
- 4. Shri D. Ravikumar Director, O/o TxC Mumbai
- 5. Shri Bharat Gandhi Chairman, Federation of Indian Art Silk Weaving Industry (FIASWI)
- 6. Dr. K. Selvaraju Secretary General., The Southern India Mills' Association, Coimbatore
- 7. Dr. Anup Rakshit, Indian Technical Textile Association, Mumbai
- 8. Shri Sachin Kumar, TMMAI Mumbai
- 9. Shri S. Dhanasekaran, Deputy Director, O/o TxC Mumbai
- 10. Shri Ashish Bhoje ,PDEXCIL Mumbai
- 11. Shri Narottam Kumar, Assistant Director , O/o TxC Mumbai
- 12. Shri Mukesh Kumar TUFS Cell, Bank of India.
- 13. Representative of TEXPROCIL Mumbai
- 14. Shri Nimish Shah, TUFS Cell Punjab National Bank