F. No. 16015/1/2026-TUFS (C.No. 85229)
भारत सरकार / Government of India
वस्त्र मंत्रालय / Ministry of Textiles

उद्योग भवन, नई दिल्ली,
दिनाँक: 24 मार्च, 2026

कार्यालय ज्ञापन

The undersigned is directed to forward herewith the Minutes of the 12th meeting of Inter Ministerial Steering Committee (IMSC) for Amended Technology Upgradation Fund Scheme (ATUFS), held on 10.03.2026 at 4:45 under the Chairmanship of Hon'ble Minister of Textiles, for information and necessary action.

Encl: As above

दिनेश कुमार
(दिनेश कुमार प्रजापति)
अवर सचिव, भारत सरकार

To,

1. Secretary, Department of Expenditure, Member
2. Secretary, Department of Financial Services, Member
3. Secretary, Department of Commerce, Member
4. Secretary, Department of Industrial Policy & Promotion, Member
5. Secretary, Ministry of Heavy Industries, Member
6. Secretary, Ministry of Micro, Small & Medium Enterprises, Member
7. Deputy Governor, Reserve Bank of India, Member
8. Special Secretary & Financial Advisor, Ministry of Textiles, Member
9. Textile Commissioner, Ministry of Textiles, Mumbai, Member
10. Jute Commissioner, Ministry of Textiles, Kolkata, Member
11. Development Commissioner (Handlooms), New Delhi, Member
12. Adviser (in-charge of the textiles), NITI Aayog, New Delhi, Member
13. Member Secretary, Central Silk Board, Bengaluru, Member
14. Chairman & Managing Director, IDBI, Member
15. Chairman & Managing Director, SIDBI, Member
16. Chairman & Managing Director, IFCI, Member
17. Chairman, State Bank of India, Member
18. President, Textile Machinery Manufacturers Association of India (TMMAI), Mumbai, Member
19. Chairman, Confederation of India Textile Industry (CITI), New Delhi, Member
20. Chairman, Federation of India Art Silk Weaving Industry, Surat, Member
21. Chairman, Indian Woolen Mills Federation (IWMF), Mumbai, Member
22. Chairman, Powerloom Development & Export Promotion Council (PDEXCIL), Mumbai, Member
23. Chairman, Indian Jute Mills Association (IJMA), Kolkata, Member
24. President, Clothing Manufacturers Association of India, Mumbai, Member
25. Chairman, Indian Technical Textile Association (ITTA), Mumbai, Member

26. Chairman, South India Spinners Association, Coimbatore, Member
27. Chairman, The Southern India Mills' Association, Coimbatore, Member
28. Chairman, AEPC, Apparel Export Promotion Council, Special Invitee.

Copy to:-

1. Hon'ble Minister of Textiles - Chairman
2. Hon'ble Minister of State for Textiles - Co-Chairman
3. Secretary (Textiles) - Vice-Chairman
4. Additional Secretary, Ministry of Textiles, Member-Secretary
5. Director (ATUFS), Ministry of Textiles

Minutes for the 12th Meeting of Inter-Ministerial Steering Committee (IMSC) under Amended Technology Up-gradation fund Scheme (ATUFS) held on 10.03.2026

The 12th meeting of the Inter-Ministerial Steering Committee (IMSC) under the Amended Technology Up-gradation fund Scheme (ATUFS) was held on 10.03.2026 in hybrid mode. The meeting was chaired by Shri Giriraj Singh, Hon'ble Minister of Textiles. The list of participants is at Annexure-I.

At the outset, the Additional Secretary welcomed all members of the IMSC and gave a brief outline of achievements and progress since the last meeting. The Textile Commissioner then made a detailed presentation on the agenda items. The deliberations and decisions of the IMSC are as follows:

Agenda No. 1: Confirmation of the minutes of the 11th meeting of IMSC held on 12.11.2024

The minutes of the 11th meeting of the IMSC held on 12.11.2024 were circulated and uploaded on the office website on 28.11.2024. Since no comments were received, the minutes were proposed to be confirmed by the IMSC.

Decision: IMSC confirmed the minutes of 11th IMSC.

Agenda No. 2: Present Status, Achievements of ATUFS Scheme along with brief Success Stories for perusal of Committee.

The Textile Commissioner presented a comprehensive review of the ATUFS scheme, covering its background, current status, achievements, and future roadmap.

2.1 Background, Objective and Target of ATUFS: The Indian textile industry plays a significant role in industrial output, employment, and exports. To address technological obsolescence, the Government introduced the Technology Upgradation Fund Scheme (TUFS) in 1999, which evolved through various plan periods. Under ATUFS, the CCEA approved a budgetary allocation of ₹12,671 crore for committed liabilities and ₹5,151 crore for new cases, for a period of seven years ending 31 March 2022.

2.2 Present Status: Out of 12,925 claims received, 12,920 claims have been settled on an ad-interim basis. A table conveying status of cases, investment and subsidy detail is as below:

S.N.	Stage of Processing	No. of Cases	Investment (INR Crore)	Subsidy value (INR Crore)
1	No. of effective UIDs	12,925	65,603.2	4,724.85
2	Claims Settled	12,920*	65,483.4	4693.72 (Released- 2783)
3	Claims under process	5*	18.4	1.44

- *85 cases are on hold due to audit observations/Recoveries

2.3 Achievements under ATUFS:

- **Investment:** Catalyzed investment of ~₹66,000 crore against subsidy disbursal of ₹2,783 crore (ratio 1:24 compared to 1:16 under earlier TUFS).
- **Employment:** Generated ~3.4 lakh jobs with 33% women and 10% SC/ST participation.
- **MSME Focus:** Strong MSME to Non-MSME ratio of 89:11.
- **Technology:** Over 6 lakh modern machines enlisted from 1,385 manufacturers.
- **Sustainability:** Installation of 1,117 energy-saving machines and over 1 lakh water-saving technology machines.
- **Impact:** As per NITI Aayog (2021), TUFS/ATUFS supported nearly 80% of textile sector investment in the last decade, with cost reductions of 1–10% and quality improvements. Export performance improved for 75% of beneficiaries, with the highest impact in technical textiles.

2.4 Way Forward: A third-party impact study of ATUFS is underway. Preliminary findings indicate increased modernization, production, and productivity (above 5% for most units), improved workplace conditions, energy efficiency gains (92% beneficiaries), and business expansion including forward/backward integration. The 85 cases on hold due to audit observations are being processed along with recovery proceedings.

2.5 Grievance Redressal Mechanism: A dedicated grievance portal has been created on the iTUFS platform to streamline submissions on which 851 units have submitted grievances, which are being processed as per the prescribed framework.

Decision: The IMSC noted the progress made under ATUFS and the outcomes of the Scheme. The Chair directed that under the ongoing impact assessment study additional parameters such as efficiency improvement, water savings, energy

savings, carbon emission reductions may also be measured to assess the sustainability aspects of the Scheme. The Chair further directed that a report on the impact of the Scheme on productivity enhancement may also be prepared.

For pending cases under ATUFS, chair directed that except the cases flagged by audit or recovery cases or cases otherwise disputed, no ATUFS case should spillover to the next financial year.

Agenda No. 3: Matter related to post facto condonation (Two cases) for beyond 88 days of JIT inspection on receipt of JIT request as recommended by TAMC.

3.1 Case-01 (M/s. KM Synthetics): The JIT request was received on 13.10.2022 and the last date for conducting JIT verification (88 days) was 09.01.2023. Inspection started within 88 days but inspection completed on 89th Day due to voluminous machineries.

Decision: IMSC ratified the condonation accorded by the TAMC. It also asked Textile Commissioner to fix the responsibility for delay and avoid any such future lapse.

3.2 Case-02 (M/s Komal Texfab Pvt Ltd): The JIT request was received on 17.07.2017. JIT verification was conducted on 09.11.2017 (115th day) as the blocking of application beyond stipulated time period was not introduced in the system at that time.

Decision: IMSC ratified the condonation accorded by the TAMC. It also asked Textile Commissioner to fix the responsibility for delay and avoid any such future lapse.

Agenda No. 4: Term loan takeover more than once under ATUFS.

The issue regarding interpretation of GR (2016) vs RR (2018) regarding the number of times a term loan takeover is allowed was discussed. TAMC recommended allowing takeover of term loan from one lending agency to another multiple times subject to due securitization of assets.

Decision: IMSC endorsed the recommendation of the TAMC. It also asked Textile Commissioner to fix responsibility for delay and avoid any such future lapses.

Agenda No. 5: Interpretation of Para no.5.1.5 of GR and 5.6 of RR dated 02.08.2018 pertaining to Foreign Currency Loan: The issue at hand involves a technical policy dispute regarding whether a business can claim government subsidies under the Amended Technology Upgradation Fund Scheme (ATUFS) when the loan used to buy machinery was issued by an overseas branch of a foreign bank.

The para no.5.1.5 of GR dated 29.02.2016

Foreign Currency Loan: Foreign Currency Loan availed of from overseas branch of the Indian Bank / Foreign bank having Indian branch will be eligible for benefits under this scheme. However, the loan account should be operational from the Indian branch also so as to make it possible to transfer the subsidy amount in Indian Rupee into the loan account of the applicant in the Indian branch.

Para 5.6 of RR dated 02.08.2018

Foreign Currency Loan: Foreign Currency Loan availed of from overseas branch of the Indian Bank/ Foreign bank having Indian branch will be eligible for benefits under this scheme. However, the loan accounts should be operational from the Indian branch also so as to make it possible to transfer the subsidy amount in Indian Rupee into the account of the applicant in the Indian branch. Conversion of Rupee Term Loan (RTL) into Currency Loan (FCL) and vice- versa is permitted.

Under the current rules (RR 2018), a loan is eligible if it comes from an "overseas branch of an Indian bank" or a "foreign bank having an Indian branch." However claim was rejected because the loan was issued by a London branch of a foreign bank based upon interpretation that only the Indian branch of that bank was authorized to handle the loan for it to be eligible for the subsidy.

38th TAMC deliberations: To examine this, the Technical Advisory-cum-Monitoring Committee (TAMC) took up the matter in the 38th meeting. TAMC deliberated whether Foreign Currency Loan availed from Overseas branch of Overseas Bank can be considered under above mentioned para 5.1.5 of GR (2016) and 5.6 of RR dated 02.08.2018. TAMC also examined the matter with respect to Security and hypothecation as per Indian Law.

After detailed deliberation TAMC ascertained that hypothecation/security of assets has been ensured unambiguously and documents are governed by the Indian Laws and is subjected to jurisdiction of court at New Delhi. Based upon deliberations, TAMC decided the following:

TAMC after detailed deliberations has decided to allow such arrangement since not only hypothecation/security of assets has been ensured unambiguously but also now as per clarifications provided by the bank, the documents are also governed by the Indian Laws and is subjected to jurisdiction of court at New Delhi.

Since matter related to policy interpretation hence matter may be placed before IMSC to duly clarify as following in RR 5.6 of 2018:

Foreign Currency Loan by an "Overseas Branch" of Foreign Bank having a local Branch in India for asset creation in India would also be eligible under ATUF, if the local branch has control and enforceable rights/ authority as regards credit linked assets created in India involving Funds of Government of India.

Decision: The IMSC deliberated on the issue in detail and after detailed deliberations, the IMSC directed that additional information be made available about details of loan (including whether it was drawn in local currency or foreign currency), repayment period, and current status of repayments.

The IMSC directed that above information may be submitted to Special Secretary and Financial Advisor who will examine the issue and offer his comments. MoF guidelines, if any in the matter be also referred to. Matter may be put up for deliberation in the next meeting.

Agenda No. 6: Status of Previous Version Cases as on 16.01.2026.

6.1. The Textile Commissioner presented the status of previous version cases (MTUFS, RTUFS, RRTUFS).

Sr. No.	**Particulars**	**No of cases**
1	Ongoing cases as per Internal Committee Report (14.11.2018)	8453
2	Ongoing cases at the time of Implementation of Protocol (14.06.2019)	7266
3	Documents not uploaded	3859
4	Documents uploaded (i.e. 7266-3859)	3407
5	Cases which cannot be considered for physical verification (Removed from list)	1928
	a) Documents uploaded with deficiency and returned back to banks	686
	b) Willingness not received	1242

6	Cases for which physical verification can be conducted (i.e. 3407-1919)	1479
7	Cases already settled (Amount Rs.600.56 Cr)	552
8	Cases removed from pendency list (Documents not provided)	205
9	Cases under Settlement (Committed Value around Rs. 600 cr.)	722

Table: Status of Previous Version Cases

6.2. Way Forward

- Textile commissioner highlighted that the number of pending cases has further been reduced to 593 cases.
- Four vertical created by deploying the officers from Regional Offices and division of HQ for settlement of cases under Previous Versios of TUFS.
- Efforts are being made to achieve Ro level settlement by March '26.
- For the remaining cases a final report will be submitted by the Office of the Textile Commissioner so that a final decision may be obtained.
- The Chair was also informed that the Ministry may require a one-year extension for meeting the committed pertaining to previous versions of TUFS.

Decision: The IMSC noted the progress under the previous versions of TUFS. The Chair directed that a permanent and time-bound resolution may be worked out for the pending cases under the previous versions of the Scheme. Chair directed that Textile Commissioner will also concretize the number of cases with liabilities thereon under ATUFS and previous versions to be taken up in next FY and seek extension from Ministry of Finance through the Ministry of Textiles.

Agenda No. 7: Agenda points regarding Previous Versions of TUFS for review of IMSC

Sub-Agenda No. 1: Subsidy value of one account under RRTUFS has to be revised from 2% IR to 6% IR due to correction of clerical mistake by the bank while applying for UID.

Provisions of GR under RRTUFS

Para V. (x) of GR on RRTUFS is reproduced below:

In order to ensure data integrity and prevent any possible misuse of the scheme, the data furnished by lending agencies through FR-2 over web portal of Textile Commissioner shall *be treated as frozen and subsidy payments shall be considered strictly as per the frozen data.*

Lending agencies, therefore, shall be well advised to be doubly careful while furnishing the details in application for UID as the experience of previous operation of the scheme had brought out several lapses which ultimately jeopardize the borrowers. As a safeguard, for any mistakes still cropping in, the genuine cases of deviations in data submitted by lending agencies would be entertained by the Textile Commissioner only if recommended by CMD of the lending agencies and counter recommended by the Dept. of Financial Services, Ministry of Finance within the overall figures of committed liabilities ***with approval of IMSC.***

Current status:

- Department of Financial Services (DFS) vide letter no. 11/3/2025-IF-I dated 24.03.2025 (A copy of the letter is at **Annexure-II**) has conveyed their recommendation for revision of subsidy from 2% to 6% IR in favour of M/s. Basant Texfab Pvt. Ltd. (TUFS Ref. No. N017/2013/1297)
- The revision will result in increase of committed liability value from Rs. 93 Lakhs to Rs. 2.81 Crores (increase of Rs. 1.87 Crores).
- As per the provisions mentioned above, approval of IMSC is necessary.

Recommendation of the Textile Commissioner: *In view of the provision of GR under RRTUFS and compliance of the prescribed procedure by the bank, the Textile Commissioner has recommended for placing the case before IMSC for approval as per the requirement of the provisions mentioned above.*

Decision: IMSC endorsed the recommendation of the Textile Commissioner.

Sub-Agenda No. 2: One time correction under RRTUFS for Information to IMSC.
The Textile Commissioner accorded approval for one-time corrections in UID details (name corrections) for following entities:

1. **M/s Rajaguru Spinning Mills Pvt. Ltd (TUFs Ref. No. N030/2905, N030/2911 under RTUFS and N003/2015/882 under RRTUFS)**: TxC accorded the approval for one time correction in the UID to change the name of unit from M/s Rajguru Spinning Mills Pvt. Ltd (TUFs Ref. No. N030/295, N030/2911 under RTUFS & N003/2015/882 under RRTUFS) to M/s Rajaguru Spinning Mills Pvt. Ltd. (Subsidy value: Rs. 2.18 cr.)
2. **M/s Victory Spinning Mills Private Limited (TUFS Ref. No. N011/2013/1136)**: TxC accorded the approval for one-time correction in the UID to change the name of unit from M/s Victory Spinning Mills Limited to M/s Victory Spinning Mills Private Limited under RRTUFS. (Subsidy value: Rs. 58 lakh)
3. **M/s Magnum Spinning Mills India Private Limited (TUFs Ref. No. N030/2200) under RTUFS:** TxC accorded the approval for one-time correction

in the UID to change the name of unit from M/s Magnum Spinning Mills (TUFs Ref. No. N030/2200) to M/s Magnum Spinning Mills India Private Limited under RTUFS. (Subsidy value: Rs. 6.77 lakh)

4. **M/s. Rameswar Udyog Pvt. Ltd (TUF Ref N025/15/442) under RRTUFS:** TxC accorded the approval for one-time correction in the UID to change the name of unit from M/s. Rameshwr Udyog Pvt. Ltd to M/s. Rameswar Udyog Pvt. Ltd (TUF Ref N025/15/442) in the UID. (Rs. 1.20 cr.)
5. **M/s Swastik Textiles (N025/2013/6585) under RRTUFS:** TxC accorded the approval for one-time correction in the UID to change the name of unit from M/s Swastik Textiles to M/s Swastik Textile (TUFs Ref. N025/2013/6585) in the iTUFS portal. (Rs. 39,550/-)
6. **M/s Selvam process (TUFS Ref. No. N032/2013/10383) under RRTUFS:** TxC accorded the approval for one-time correction in UID in subsidy type column from 5% IR to 5% IR & 10% CS in respect M/s Selvam process (TUFS Ref. No. N032/2013/10383). (Rs. 1,26,186/-)
7. **M/s K.A.S Industries India Ltd (TUFs Ref. N030/3220) under RTUFS:** TxC accorded the approval for one-time correction in the UID to change the name of unit from M/s K.A.S Industries India Ltd to M/s K.A.S Industries India Pvt Ltd (TUFs Ref. N030/3220) in the iTUFS portal. (Rs. 39,784/-)
8. **M/s BELL FLOWER TRADING CO. LTD (TUFs Ref. N004/4841) under RTUFS:** TxC accorded the approval for one-time correction in the UID to change the name of unit from M/s BELL FLOWER TRADING CO. LTD to M/s BELL FLOWER TRADING CO. Pvt. LTD (TUFs Ref. N004/4841) in the iTUFS portal. (20,52,740/-)

Decision: The information was noted by the IMSC

Annexure-I

List of participants:

Ministry of Textiles representatives:

1. Shri. Giriraj Singh, Hon'ble Minister of Textile – (Chairman)
2. Smt. Neelam Shami Rao, Secretary
3. Shri Asit Gopal, SS&FA, Ministry of Textiles
4. Shri. Rohit Kansal, Additional Secretary, Ministry of Textiles
5. Dr. M. Beena, Development Commissioner (Handloom)
6. Sh. Gopal, Director

Attached / Subordinate Offices of MoT:

7. Smt. Vrunda Desai, Textile Commissioner, O/o Textile Commissioner, Mumbai
8. Shri. Ajay Pandit, Additional Textile Commissioner, O/o Textile Commissioner, Mumbai
9. Shri Iqbal Ahmed, Director, Jt. Textile Commissioner, Mumbai
10. Shri. Narottam Kumar, Assistant Director, O/o Textile Commissioner, Mumbai
11. Dr. Periyaswamy, Director, CSB-CSTRI, Central Silk Board, Bangalore
12. Shri. S. Dhansekaran, Dy. Director, O/o Textile Commissioner, Mumbai
13. Shri. Santosh Pakhare, Assistant Director, O/o Textile Commissioner, Mumbai
14. Shri. Meharchand, Scientist-B, Central Silk Board

Other Ministries / Goovernment bodies:

15. Shri. Upendra Kumar Gupta, NITI Aayog
16. Shri. Hardik M Sheth, Director, DFS
17. Smt. Dr. Garima Mittal, Director, Department of Commerce
18. Shri. Abhishek Kumar, Ministry of Heavy Industries

Landing Institutes / Associations:

19. Shri. A. Sathis Kumar, General manager, SBI, CB, Mumbai
20. Shri. Dipan Das, IDBI
21. Shri. Abhijeet Srivatstav, IDBI
22. Shri. Zumer Damania, IDBI
23. Shri. Sivalingam, PDEXCIL
24. Shri. K. Selvaraju, Secretary General, SIMA
25. Smt. Chandrima Chatterjee, Secretary General, CITI
26. Shri. Sachin Kumar Arora, TMMA
27. Shri Mahesh Kudav, Chairman, ITTA
28. Shri. Jagadish Chandran, SISPA
29. Shri. Venkatesh Prabu, SISPA
30. Smt. Hema Mohankumar, SIMA

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