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

जी.पी.ओ.ए.-3,पांचवीं मंजिल,
नेताजी नगर, नई दिल्ली,
दिनाँक: 07 सितंबर, 2026

कार्यालय ज्ञापन

The undersigned is directed to forward herewith the Minutes of the 13th meeting of Inter Ministerial Steering Committee (IMSC) for Amended Technology Upgradation Fund Scheme (ATUFS) held on 25.08.2026 at 04.00 P.M. under the Chairmanship of the Hon'ble Minister of Textiles, for information and necessary action.

2. This issues with the approval of the Competent Authority.

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. Additional 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 of the 13th Meeting of Inter-Ministerial Steering Committee (IMSC) under Amended Technology Upgradation Fund Scheme (ATUFS) held on 25.08.2026

The 13th meeting of the Inter-Ministerial Steering Committee (IMSC) under Amended Technology Upgradation Fund Scheme (ATUFS) was held under the Chairmanship of Shri Giriraj Singh, Hon'ble Minister of Textiles on 25.08.2026. The list of participants is at **Annexure-I**.

At the beginning, the Additional Secretary welcomed all members of the IMSC and informed briefly about the agenda. Thereafter Additional Secretary requested Textile Commissioner for detailed presentation on agenda points. The deliberations and decisions of the IMSC are as follows:

Agenda No. 1: Confirmation of the minutes of the 12thmeeting of IMSC held on 10.03.2026

The minutes of the 12th meeting of IMSC held on 10.03.2026 under ATUFS were circulated on dated 24.03.2026. Since no comments were received, the minutes were proposed to be confirmed by the IMSC.

Decision: IMSC confirmed the minutes of the 12th IMSC.

Agenda No. 2: Present Status of ATUFS Scheme

The Textile Commissioner briefed the progress and present status of ATUFS as below:

a. All eligible ATUFS claims have been settled.
b. Report of CAG on ATUFS has been made public (Report no.11 of 2026). It is observed that there are no major adverse observations. About 76 cases/claims which were on hold (Provisional Subsidy -Rs.98.72 Crore) shall now be settled.
c. In order to streamline the grievance redressal process, a dedicated grievance portal on i-TUFS was created to enable submission of grievances in a structured manner.
d. A total of 851 units have submitted grievances through the portal.
e. 771 grievances have been processed and resolved.
f. Remaining 80 grievances are being processed and shall be settled.
g. After examination, it is found that about 35 cases (Rs. 14.50 crore) may require to be re-opened.
h. Standard Operating Procedure (SOP) for reopening of cases have been framed and circulated to Regional Offices and HQ.
i. Third Party evaluation of ATUFS has been completed and report submitted.

The Secretary (Textiles) remarked that the third-party evaluation report and the recently released NITI Aayog report have indicated encouraging outcomes. These reports will serve as the basis for discussions in the EFC on new initiatives.

Decision: Committee noted the progress of ATUFS. 76 cases which were on hold due to audit issue shall now be settled. Grievance redressal system may be closed and 35 cases which are proposed for re-open may be examined and settled by September 2026.

Agenda No. 03: Interpretation of Para no. 5.1.5 of GR and 5.6 of RR dated 02.08.2018 pertain to Foreign Currency Loan.

The issue at hand involved 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.

The Issue: TxC rejected claim 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.

Audit observation: CAG during audit gave observation in this case that clarification should be obtained from IMSC regarding interpretation of above clause.

To resolve this, the Technical Advisory-cum-Monitoring Committee (TAMC) reviewed the specific security arrangements and found that:

- **Local Control**: The assets are actually managed by an Indian trustee company, meaning the security documents fall under Indian Law and the jurisdiction of New Delhi courts.
- **Financial Path**: The local Indian branch of the foreign bank will have control over the funds and the ability to transfer the subsidy into the loan account as required by the rules.

Decision of 38th TAMC:

TAMC in its 38th meeting after detailed deliberations has decided to allow such arrangement since:

- *Hypothecation/security of assets has been ensured unambiguously*
- *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 is related to policy interpretation hence TAMC decided it to be placed before IMSC and duly clarify para 5.6 of RR 2018 as following:

"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 ATUFS, if the local branch has control and enforceable rights/ authority as regards credit linked assets created in India involving Funds of Government of India."

Financial Implication: Rs. 30.0 Crores (One unit)

Decision of 12th IMSC: *- 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 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.*

Comments of SS&FA, IFW: The matter was referred to SS&FA on file and IFW suggested that comments of DFS may be obtained. DFS has remarked that MoT may decide eligibility based on policy implications and check whether allowing subsidy will be consonant with stated objectives of Scheme.

Decision: IMSC, after detailed deliberations, clarified that the correct interpretation is that a foreign currency loan availed from a foreign branch of 'foreign bank having a branch in India' is also eligible under the Scheme. Accordingly, the present claim is eligible for subsidy.

Agenda No. 4: Status of Previous Version Cases as on 18.08.2026

The committee was briefed about the status of previous versions of TUFS as under:

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	3858
4	Documents uploaded (i.e. 7266-3858)	3408
5	**Cases which cannot be considered for physical verification (Removed from pendency list)**	1909

	a) Documents uploaded with deficiency and returned back to banks - 686	
	b) Willingness not received -1223	
6	Cases for which physical verification conducted (i.e. 3408-1909)	1499
7	Cases settled (Amount Rs. 610.68 crores)	582
8	Cases where replies not received even after two reminders and final notice	478
7	Cases under settlement	439

4.1 Steps taken for settlement of cases in FY 2026-27:

Three verticals created by deploying the officers from Regional Offices and division of HO for settlement of cases under Previous Versions of TUFS. There are issues due to which cases are pending. The issues have been examined by the Standing Committee on Policy Issues under Previous Versions of TUFS and has submitted its report along-with recommendations. As per the final decisions on these issues, the cases will be settled. The RO Level cases without any issues are targeted to be settled by September 2026.

4.2 Way forward:

a. The recommendations of the Standing Committee on Policy Issues under Previous Versions of TUFS were deliberated in the meeting of the IMSC.
b. The cases pending under Previous Versions of TUFS due to various issues will be considered as per the recommendations of the Standing Committee on Policy Issues under Previous Versions of TUFS and final decision of the IMSC in this regard.
c. The Ministry may require two-year extension for settlement of pending cases and committed liabilities involved.

Decision: IMSC noted the progress and expressed dissatisfaction over huge delay in settlement of previous version cases, and directed that Department of Financial Services should ensure that measures should be taken to resolve matters, as far as possible before 30th Sep., 2026

Agenda No. 5: Issues for settlement of cases under Previous Versions of TUFS:

Sub-Agenda No. 1: Document related issues: relaxation in 6 mandatory documents where JIT has already been conducted.

Sub-Agenda No. 2: Cases pending due to pendency of revision of JIT Reports by Banks

Sub-Agenda No. 3: Issues due to non-compliance by Banks/Lending Agenciec etc.

Decision: IMSC after detailed deliberation on these issues stated above, resolved the following:

a. ***The schemes under the previous versions of TUFS had been extended up to 31.03.2026. However, the schemes have not yet been closed.***
b. ***The Committee observed that the matter requires expeditious resolution and expressed concern over the prolonged pendency of these issues, emphasizing the need to bring them to closure at the earliest so that department can work efficiently.***
c. ***The continued engagement of the office in resolving these legacy issues is adversely affecting the progress of other developmental activities of the Department.***
d. ***All pending cases under previous versions of TUFS in which the Banks/Lending Agencies have failed to submit the requisite documents or deficient documents have been submitted, shall be taken up by the Department of Financial Services (DFS) with the concerned Banks/Lending Agencies for an appropriate resolution. The matter shall be resolved by the end of September 2026. Thereafter, these cases shall not be subject to further review by the Government.***

Sub-Agenda No. 4: Other issues:

a. **Segment change (Number of accounts:13)**

i. Under RTUFS/RRTUFS, UID was obtained for particular segment(s) but machines were actually installed for other segment(s).
ii. Review meetings under Chairpersonship of Secretary (Textiles) on 14.10.2025 and 13.11.2025 decided that relaxation cannot be given where incorrect segment was submitted at UID application; such ineligible cases may be taken out from the pendency list after reconciling data with Regional Offices.
iii. **Recommendation of the Standing Committee:** Such cases may be removed from the pending subsidy accounts list, no committed liabilities considered for such cases. Consequently, recovery action initiated against the concerned Banks/Lending Agencies.

Ratification of the decision of the review meeting held on 14.10.2025 and 13.11.2025 by IMSC was proposed.

Decision: IMSC ratified the decision taken in review meetings and decided to not pursue the matter any further.

The meeting ended with vote of thanks to Chair.

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Annexure – I

List of participants

Ministry of Textiles representatives:

1. Shri Giriraj Singh, Hon'ble Minister of Textiles – (Chairman)
2. Smt. Neelam Shami Rao, Secretary, Ministry of Textiles
3. Ms. Nigar Fatima Husain, AS&FA, Ministry of Textiles
4. Smt. Arti Kanwar, Additional Secretary, Ministry of Textiles
5. Shri Gopal, Director, Ministry of Textiles

Attached/Subordinate Offices of Ministry of Textiles:

6. Smt. Vrunda Manohar Desai, Textile Commissioner, Office of the Textile Commissioner, Mumbai
7. Shri Ajay Pandit, Additional Textile Commissioner, Office of the Textile Commissioner, Mumbai
8. Shri Iqbal Ahamd, Joint Textile Commissioner, Office of the Textile Commissioner, Mumbai
9. Shri Santosh Pakhare, Assistant Director, Office of the Textile Commissioner, Mumbai

Other Ministries/Government Bodies/ Lending Institutes/Associations:

10. Shri Ankur Kumar, Joint Director, DFS
11. Shri Upendra Kumar Gupta, NITI Aayog (Joined through VC)
12. Shri Rajesh Ranjan, DPIIT
13. Shri A. Sathish Kumar, State Bank of India
14. Shri K Selvaraju, Secretary General, SIMA
15. Shri Varun Vaid, Wazir Advisors
16. Smt. Chandrima Chatterjee, Secretary General, CITI
17. Shri Shakthivel, AEPC
18. Shri Sachin Kumar Arora, TMMA (Joined through VC)
19. Smt Zumer Damania, IDBI Bank (Joined through VC)
20. Shri Ashish Bhoje, PDEXCIL (Joined through VC)
21. Shri Prakash N Bhat, CSB (Joined through VC)
22. SIMA, Coimbatore (Joined through VC)
23. Shri Ashwini Chandran (Joined through VC)
24. Shri Durai Palaniswamy, SIMA (Joined through VC)
25. Shri Brijesh Gondolia, Surat Knitting Association (Joined through VC)
26. Shri R. Prabhaathi, SIDBI (Joined through VC)
27. Smt. Smita A. Yeole, Vice-Chairperson, FIASWI (Joined through VC)