

**MINISTRY OF TEXTILES
GOVERNMENT OF INDIA**

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Dated 15th January, 2022

Operational Guidelines for PM MEGA INTEGRATED TEXTILE REGION AND APPAREL (PM MITRA) PARKS SCHEME, in terms of para 9 of the Scheme Notification dated 20.10.2021.

1. Introduction

- 1.1. Ministry of Textiles (MoT) has launched **PM Mega Integrated Textile Regions and Apparel Parks (MITRAs) Scheme** to strengthen the Indian textile industry by way of enabling scale of operations, reduce logistics cost by housing entire value chain at one location, attract investment, generate employment and augment export potential.
- 1.2. The scheme will develop integrated large scale and modern industrial infrastructure facility for total value-chain of the textile industry for example, spinning, weaving, processing, garmenting, textile manufacturing, processing & printing machinery industry.
- 1.3. These parks are envisaged to be located at sites which have inherent strengths for textile industry to flourish and have necessary linkages to succeed.
- 1.4. The scheme envisages to leverage Public Private Partnership model for fast paced implementation in a time-bound manner.

2. Eligibility & Modalities:

- 2.1 PM MITRA Parks will be set up on the basis of proposals received from State Governments having **ready availability of contiguous and encumbrance-free land parcel of minimum 1000 acres**. The State Government will transfer land to the Special Purpose Vehicle (SPV) at notional price. The land asset will be used to leverage/attract investment in the PM MITRA parks for development and maintenance of the parks with high standard specifications.
- 2.2 SPV will be a legal entity (with 51% equity shareholding of State Government and 49% of Central Government) set up by the State Government for the purpose of implementing the PM MITRA Park Project.
- 2.3 The specific modalities for use of the land will be defined in transaction documents namely Request for Qualification (RFQ), Request for Proposal (RFP), Concession

Agreement etc., which will be formulated in consultation with the State Government, Department of Economic Affairs, Ministry of Finance, Department for Promotion of Industry and Internal Trade (DPIIT) and NITI Aayog.

2.4 The selection of PM MITRA Park sites will be done in a two stage selection process on **Challenge Method**.

Stage 1: Selection of Sites offered by State Governments through Challenge

Route: At this stage, expenditure on Constitution of SPV, Planning of PM MITRA parks, Selection of PMA, Development of Model RFQ/RFP & Concession Agreement and Selection of Master Developer will be permitted. The Master Developer (MD) is to be selected by a transparent process and should have adequate capacity and experience. The Master Developer should prepare the detailed project report/Master Plan of the PM MITRA Park including the core Infrastructure: roads, drainage, sewage, solid waste management, treatment plants etc. to be developed. This Master Plan should be approved by the SPV.

Stage 2 : Development of the Park: Selected Sites will be released Grants in Aid from MoT for infrastructure development/ construction of PM MITRA parks based on the approved DPR/Master Plan. This will ensure immediate commencement of work at the PM MITRA sites after release of first instalment of Grant.

3. **Funding & Release of Grant under PM MITRA Park Scheme by GOI:**

A. The Scheme has a budget outlay of Rs. 4445 Crore including administrative expenses of Rs 30 crore over 7-year period up to 2027-28.

B. **Development Capital Support (DCS):** The Central Government will provide DCS in the form of Grant in Aid (Capital) to the Park SPV. DCS is a support for creation of Core Infrastructure e.g. Internal Road; Power Distribution Infrastructure; Water and Waste Water treatment and other facilities; Development of Plug & Play Infrastructure for Textiles Designers, Apparel Manufacturers, Accessories Manufacturers; Factory Sites; Incubation Centre etc. DCS can also be used for creating Support Infrastructure e.g. Common Processing Facility, Common Effluent Treatment Plant (CETP), Workers' Hostel & Housing, (Specially for women Worker), Health Facility, Training & Skill Development, Warehousing, Logistics etc..

The DCS will be provided in two Phases:

Phase I – ₹ 300 Cr for Greenfield Park and ₹100 Cr for Brownfield Park, as per phasing of construction. Concession period will be 25 years till completion of Phase 1

Phase II – ₹ 200 Cr for Greenfield Park and ₹100 Cr for Brownfield Park.

Phase II will be triggered only upon meeting pre-defined Performance Linked Parameters. In case of achievement of required benchmark for triggering Phase II, the concession period will increase by additional 25 years to 50 years.

C. **Competitive Incentive Support (CIS):**

For incentivizing manufacturing units to get established early in PM MITRA Park, there is a provision of ₹ 300 Cr per park. Incentive will be provided to manufacturing units up to 3% of the total sales turnover to the unit established in the PM MITRA Park to reduce its cost and offset its disadvantages to a certain extent.

- i. The CIS will be Fund Limited and it will be available on a first come first serve basis.
- ii. The incentives will only be available to those manufacturing companies who are not availing benefits of **Production Linked Incentive (PLI) for Textile Scheme**.
- iii. There will be a cap of ₹10 Crore per annum on incentive and a maximum cap of ₹30 Crore on incentive for one anchor investor company with an investment of ₹300 Crore or above in its unit in PM MITRA Park.
- iv. There will be a cap of ₹5 Crore per annum on incentive and a maximum cap of ₹15 Crore on incentive for one investor company with an investment of ₹100-300 Crore.
- v. There will be a cap of ₹1 Crore per annum on incentive and a maximum cap of ₹3 Crore on incentive for other investor companies and tenant companies, but they must have employment of 100 persons and above.

4. **Release of GoI Funds:**

- 4.1 The MoT grant will be released on the basis of progress of the project and matching contribution from Master Developer. The first tranche of ₹50 Crore will be released after mobilization of ₹50 Crore by the Master Developer and utilization of minimum ₹25 Crore for development of some part of core support infrastructure. Further release will be made after utilization of 75% of earlier mobilized resources based on report of PMA along with evidence of commensurate physical progress. Matching contribution of MD and commensurate physical progress at the site will be ensured prior to release of the next tranche.
- 4.2 Separate accounts shall be kept for the funds released by GOI and funds mobilized by the Master Developer and will be subject to audit by the Comptroller & Auditor General of India and any other agency nominated by Ministry of Textiles. Details of funds to be released for Greenfield projects is at Annexure-II.

5. **Project Monitoring:**

MoT will periodically monitor the progress of the projects under the Scheme. Ministry will appoint a Project Management Agency (PMA) which will act as the Technical Support arm by providing secretarial, managerial and implementation support to MoT for effective implementation of the Scheme.

6. **Project Approval Committee (PAC):**

The proposals under the Scheme will be approved by the Project Approval Committee. PAC shall have following composition:

Secretary Textiles – Chairman
Financial Advisor, MoT - Member
AS/JS MoT – Member Convenor
Representative of NITI Aayog - Member
Representative of DPIIT – Member

PAC will have the authority to approve the Detailed Project Report (DPR) and accordingly sanction projects; monitor the expenditure under DCS and CIS based on objective criteria. The PAC will also fine-tune the CIS policies such as linking benefits with investment and other objective parameters with the aim of the earliest operationalisation of maximum number of units in PM MITRA Parks. PAC will have the final authority in the matters arising during the operation of the scheme. PAC will be assisted by Project Management Agency.

7. **Submission of Proposals and its Evaluation**

The willing State Governments having unencumbered and contiguous land parcel of a minimum of 1000 acre for industrial development will submit project proposal to the Ministry of Textiles. The State Government will provide a Preliminary Project Report for development of PM MITRA Park along with a map of the site and road linkage to the Port/ National Highway/ Dedicated Freight Corridors/ Inland Container Depot/Container Freight Station/ Railway Siding etc. The Preliminary Project Report will explain the potential for industrial development for Textiles Value Chain at the site alongwith details as per selection criteria in Annexure I. The State Government will confirm the permission for industrial land use and commercial land use for 10% of the area. The State will confirm support for Environment Clearance for the project.

8. **Evaluation and Approval Process:**

Evaluation Criteria for Preliminary Selection of Sites: The proposal will have to provide relevant information on all the criteria specified for evaluation of the proposal as in Annexure-I.

The PMA will examine the Preliminary Project Report and submit its recommendations to the Project Approval Committee for in principle approval.

9. Finalization of RFQ, RFP and Concession Agreement and selection of Master Developer

The Ministry of Textiles will develop model RFQ, RFP and Concession Agreement for selection of Master Developer in parallel with preliminary selection of sites with the assistance of PMA. After selection of sites, these model documents may have to be tweaked (if required) in consultation with State Governments, NITI Aayog and DEA, Ministry of Finance as per requirement of specific site. After finalization of this process, a MD will be selected for each PM MITRA park site by a transparent process. The work for PM MITRA Park will start as per the terms and conditions finalized in the above mentioned documents.

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Annexure-I

Eligibility Criteria (Qualification Criteria)			
#	Criteria	Requirement	Remarks
	Land <ul style="list-style-type: none">• Contiguous• Encumbrance Free• Location of the park site vis-à-vis Eco-Sensitive Zone• Site Layout Plan• Land Clearance (Land use)• Ease of access	1000+ Acres	State to submit an undertaking that proposed land is earmarked for setting up of MITRA park and the same is not allocated for any other purpose.

Selection Criteria

Sr. No.	Challenge Metrics	Weightage (%)
01	Connectivity to Site <ul style="list-style-type: none">• Nearest Highway from site -Kms from site.• Distance from Air cargo/Airport/Railhead – Kms from site• Distance from Sea port/Inland Waterway/Dedicated Freight Corridor.• Distance from Multi Modal Logistic Park /ICD/CFS.	25
02	Existing Ecosystem for Textiles <ul style="list-style-type: none">• Distance from existing Textile Cluster.• Availability of raw material and skilled manpower suitable for textiles industry• Availability of Skill Development Institutes/Research associations/institutes.	25
03	Availability of Utilities Services at Site <ul style="list-style-type: none">• Assurance of availability of Good Quality Power Source at the site to support the development and operation of PM MITRA park• Assurance for Power Distribution license for Master Developer for PM MITRA Park area along with permission for open access sourcing of power.	20

	<ul style="list-style-type: none"> • Dedicated Water Source and assured availability of fresh water for the PM MITRA Park. • Municipal & Solid Waste Management System in the area • Distance from Industrial waste recycling facility • Long term cost of Power and Water 	
04	<p>State Industrial /Textile Policy</p> <ul style="list-style-type: none"> • Industrial Policy/ Textile Policy for encouraging setting up of textile units • Details of Incentive available • Single Window Clearance to facilitate speedy implementation of investments/FDI- Details of single window approval mechanism proposed to be set-up for the PM MITRA park • Ease of Doing Business (EoDB) ranking of the State in last 5 years • Analysis of last 5-year investment trend in the State. • Status of adoption of new labour codes and quantum of relaxation being provided for Textile Industry in New Labour Code . 	20
05	<p>Environmental & Social Impact</p> <ul style="list-style-type: none"> • Undertaking from the State Government that the site is not impacted by any environmental sensitive area and support for expeditious Statutory Clearances 	10

Annexure-II

For Greenfields Projects PHASE-I				
S. No.	No. of Instalment	Precondition for the release	MoT Grant in Aid	Fund Mobilisation by Master Developer
			Escrow-I	Escrow-II
1	1 st	(a) Selection of Master Developer	₹ 50 Cr.	₹ 50 Cr
		(b) Start of planning and development work		
		(c) Land Clearance		
		(d) Power & Water		
		(e) Environmental Clearance		
		(f) Mobilization of ₹ 50 cr by MD		
		(g) UC of Rs. 25 Cr for CI/SI		
2	2 nd	(a) UC of 75% of total fund mobilized (i.e ₹50+ ₹50)	₹ 100 Cr.	₹ 100 Cr
		(b) Commensurate Physical Progress on site		
		(c) Establishment of Power, Water System		
		(d) Completion of <u>1st Block</u> of Plug & Play Facility		
		(e) Start of Construction for minimum 2 Textiles Manufacturing Units with ₹ 100 Crore planned investment at independent factory sites		
3	3 rd	(a) UC of 75% of ₹ 300 Cr. (GoI + SPV equity)	₹ 100 Cr.	₹ 100 Cr
		(b) 50% of commissioning of manufacturing units in plug & play facility.		
		(c) Suitable Physical milestones will be identified after approval.		
4	4 th	(a) UC of 75% of ₹500 Cr. (GoI + SPV equity)	₹ 50 cr.	₹ 50 Cr.

	(b) Completion of <u>2nd Block</u> of plug & play facility		
	(c) Starting of Construction on at least 5 independent Factory sites with investment planning of a minimum ₹ 100 Crore.		
	(c) Other Suitable Physical milestones will be identified after approval of project and Concession agreement.		
	Total		₹ 300 cr ₹ 300 cr

Phase-II development will be triggered once land occupancy by construction of minimum 60% of planned development in industry/processing area and one of following conditions are simultaneously met:

- i. Cumulative investments of ₹ 1000 Crore made at the PM MITRA Park;
- ii. Cumulative annual employment of 25000 people generated at PM MITRA Park;

Funds under Phase II will be disbursed in following way:-

For Greenfields Projects- PHASE-II				
S. No.	No. of Instal- ment	Precondition for release	MoT Grant in Aid	Fund Mobilisation by Master Developer
			Escrow-I	Escrow-II
1	1 st	(a) UC of 90% of ₹ 600 Cr. (GoI + SPV fund mobilized in Phase 1)	₹ 50 cr.	₹ 50 cr.
		(b) Commissioning and operationalization of minimum 2 blocks of plug & play by manufacturing units.		
		(c) Operationalization of minimum 10 independent manufacturing facility with minimum ₹ 100 Crore investment		
		(c) Other Suitable Physical milestones will be identified after approval.		
2	2 nd	(a) UC of 90% of ₹ 700 Cr. (GoI + SPV equity)	₹ 50 cr.	₹ 50 cr.
		(b) Other Suitable Physical milestones will be identified after approval.		
3	3 rd	a. UC of 90% of ₹ 800 Cr. (GoI + SPV equity)	₹ 50 cr.	₹ 50 cr.

		b. Other Suitable Physical milestones will be identified after approval.		
4	4 th	a. UC of 100% of ₹ 900 Cr. (GoI + SPV equity)	₹ 50 cr.	₹ 50 cr.
		b. 100% of commissioning of manufacturing units in plug & play facility.		
		TOTAL	₹ 200 cr.	₹ 200 cr.
