

Dr. L.B. Singhal
(Ph.D., MBA, LLB, B.Sc.)
Secretary General, AEPC

AEPC/HO/SG/R&PA/2022
21st January, 2022

Dear Members,

Subject: Operational Guidelines for PM MEGA INTEGRATED TEXTILE REGION AND APPAREL (PM MITRA) PARKS SCHEME.

Ministry of Textiles vide Notification [F.No. 20/1/2019-SITP dated 20/10/2021](#) (Gazette of India No. 316 dated 21/10/2021) had notified setting up of PM Mega Integrated Textiles Regions and Apparel (PM MITRA) Parks.

AEPC had issued a [Circular No. 48 dated 22/10/2021](#) explaining the main provisions of the PM MITRA Scheme.

The operational guidelines for **(PM MITRA) PARKS SCHEME, in terms of para 9 of the Scheme Notification dated 20.10.2021** have been released by the Government of India, Ministry of Textiles on 15th January 2022 ([Click here for the guidelines](#)). Some of the highlights of the guidelines are as below:-

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

Phase II – Rs.200 Cr for Greenfield Park and Rs.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 Rs. 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 **Rs.10 Crore per annum on incentives and a maximum cap of Rs.30 Crore on incentive for one anchor investor company with an investment of Rs.300 Crore or above** in its unit in PM MITRA Park.

iv. There will be a cap of **Rs.5 Crore** per annum on incentives and a maximum cap of **Rs.15 Crore** on incentive for one investor company with an investment of **Rs.100-300 Crore** .

v. There will be a cap of **Rs.1 Crore** per annum on incentives and a maximum cap of **Rs.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 Rs.50 Crore will be released after mobilization of Rs.50 Crore by the Master Developer and utilization of minimum Rs.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.

For detailed and other information such as Project Monitoring, Project Approval Committee, Evaluation and Approval Process etc., please see notification issued by Ministry of Textiles in this regard. To see the notification, please click on the below link:-

[http://texmin.nic.in/sites/default/files/PM MITRA Guidelines 0.pdf](http://texmin.nic.in/sites/default/files/PM_MITRA_Guidelines_0.pdf)

This is for your information please.

With warm regards,

Yours sincerely,

Dr. L.B. Singhal

Secretary General