

MINISTRY OF TEXTILES

EMPOWERMENT THROUGH PM MEGA INTEGRATED TEXTILE REGION AND APPAREL (PM MITRA) PARKS SCHEME AND REVIVAL EFFORTS FOR THE SICK TEXTILE UNITS/PSUs [BIC, NTC, CTL etc.]

[Action taken by the Government on the recommendations contained in the 37th Report (Seventeenth Lok Sabha) of the Committee on Estimates]

COMMITTEE ON ESTIMATES (2024-25)

FIFTH REPORT

(EIGHTEENTH LOK SABHA)



LOK SABHA SECRETARIAT
NEW DELHI

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Estimates]**

(Presented to Lok Sabha on 18.12.2024)



LOK SABHA SECRETARIAT
NEW DELHI

.....December, 2024/.....Agrayana, 1946 (Saka)

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COMPOSITION OF THE COMMITTEE ON ESTIMATES (2024-2025)

Dr. Sanjay Jaiswal – Chairperson

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3. Shri M. Mallesh Babu
4. Shri Kalyan Banerjee
5. Shri Pradan Baruah
6. Shri Charanjit Singh Channi
7. Shri P. P. Chaudhary
8. Shri Devusinh Chauhan
9. Ms. Iqra Choudhary
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11. Shri Sudheer Gupta
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Secretariat

Shri. Y.M. Kandpal

Shri Lalkithang

Shri Srikanth Singh R

Joint Secretary

Director

Assistant Committee Officer

INTRODUCTION

I, the Chairperson of the Committee on Estimates (2024-25) having been authorized by the Committee to present the Report on their behalf, do present this 5th Report on action taken by the Government on the recommendations contained in the 37th Report of the Committee (2023-24) on the subject “Empowerment through PM Mega Integrated Textile Region And Apparel (PM MITRA) Parks Scheme and Revival Efforts for the Sick Textile Units/PSUs [BIC, NTC, CTL etc.]” pertaining to the Ministry of Textiles.

2. The 37th Report of the Committee on Estimates (2023-24) was presented to Lok Sabha on 7th February, 2024. The Government furnished their replies indicating action taken on the recommendations contained in the 37th Report on 18 June, 2024. The draft report was considered and approved on 16th December, 2024 by the Committee.

3. An analysis of action taken by the Government on the recommendations contained in the 37th Report of the Committee on Estimates is given in Appendix-II.

NEW DELHI;
16 December, 2024
Agrahayana 25, 1946(Saka)

Dr. SANJAY JAISWAL
CHAIRPERSON
COMMITTEE ON ESTIMATES

CHAPTER - I

REPORT

This Report of the Committee deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in the Thirty Seventh Report (Seventeenth Lok Sabha) on the subject "Empowerment through PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme and Revival efforts for the Sick Textile Units/PSUs [BIC, NTC, CTL] etc" pertaining to the Ministry of Textiles.

2. The Thirty Seventh Report was presented to Lok Sabha on 07.02.2024. It contained 14 Observations/Recommendations. Action Taken Replies of the Government in respect to all the Observations/Recommendations have been received from the Ministry of Textiles.

3. Replies to the Observations/Recommendations contained in the Report have broadly been categorised as under:-

(i) Observations/Recommendations which have been accepted by the Government:

Recommendation. Para No. 1,2,4,7,10,11,12,13 and 14

**Total 09
(Chapter-II)**

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of Government's reply:

Recommendation. Para No. 3 & 5

**Total: 02
(Chapter-III)**

(iii) Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee:

Recommendation. Para No. 8 & 9

**Total- 02
(Chapter-IV)**

(iv) Observations/Recommendations in respect of which final reply of Government is still awaited:

Recommendation. Para No. 6

**Total: 01
(Chapter-V)**

4. **The Committee desire that Action Taken Notes in respect of the Observations/Recommendations contained in Chapter-I and final Action Taken Reply in respect of the recommendation contained in Chapter-V for which interim reply have been given by the Government may be furnished to them within six months of the presentation of the Report to the House.**

5. The Committee will now deal with the Observations/Recommendations which require reiteration or merit further comments.

(Recommendations Para No. 4)

Need to Include State Representatives and Technical Experts in PMA

6. In their Thirty-Seventh Report, the Committee had noted the need to expedite the formation of a Project Monitoring Agency (PMA) to periodically monitor the progress of the projects under the scheme and also act as the Technical Arm by providing secretarial, managerial and implementation support to the Ministry for effective and timely implementation of the scheme. The Committee were informed that the process of appointment of PMA was underway. Considering the mandate of the Project Monitoring Agency, the Committee had desired that the process of appointment of the PMA should be completed without further delay and State Government, being the major stakeholder in the project, should be given due representation in the PMA. Further, the Committee had recommended that the possibility of roping in domestic and international textile experts and technocrats in PMA should be explored.

7. The Ministry of Textiles in their Action Taken Reply furnished to the Committee, have stated as follows:

“The SPV formed comprises representatives of both Centre and State Government on its Board. Each Project will have separate Project Management Consultants (PMCs) for their state. Besides, for monitoring and implementation of Scheme, Ministry of Textiles is in the process of on-boarding a separate PMA which will include technical experts viz. industrial Infrastructural expert, Procurement and Contract Expert, Textile Expert, Corporate secretariat/ Legal Expert etc.”

8. Recognizing the pivotal role of the Project Monitoring Agency (PMA) in overseeing the progress of projects under the PM-MITRA Scheme, and its responsibility as the technical arm of the Ministry-providing secretarial, managerial, and implementation support for the effective and timely execution of the scheme-the Committee had recommended that the process of appointing the PMA be completed without further delay. The Committee also emphasized that the PMA should include representation from State Governments as well as domestic and international experts to ensure a broad and diverse range of perspectives. In their action taken reply, the Ministry of Textiles stated that the Special Purpose Vehicle (SPV) formed for the scheme already includes representatives from both the central and state governments on its board. The Ministry further submitted that each project will have separate Project Management Consultants (PMCs) for the respective states. They have also informed that for monitoring and implementation of the scheme, they are in the process of onboarding a separate PMA, which will include technical experts such as industrial infrastructure experts, procurement and contract experts, textile experts, and corporate secretarial/legal experts. However, given the critical role of the PMA in ensuring effective and timely implementation of the scheme, the Committee are not satisfied with the slow pace at which the PMA is being formed. The Committee urge the Ministry to make immediate and concrete efforts to expedite the appointment of the PMA and PMCs for each of the seven states, without any further delays. Moreover, the Ministry should ensure that the PMA includes a broad range of experts, particularly domestic and international textile specialists, to incorporate global best practices and ensure that the projects meet international standards. The Committee also recommend the Ministry to establish a robust coordination framework between the PMA and the PMCs to facilitate seamless execution of the scheme and to avoid any gaps or overlaps in responsibilities. The Committee desire that they may be apprised of the latest progress made, including detailed updates on the timelines for the appointment of the PMA and PMCs, as well as the steps being taken to address the current delays.

(Recommendations Para No. 6)

Need for Rationalization of Tax Regime

9. The Committee, in their thirty seventh Report, had recommended the following with regard to the need for rationalization of Tax Regime:

“PM MITRA Parks are being set up as a joint venture of centre and State Governments to house the entire value chain at one place, aiming to attract domestic and foreign investment, generate employment and augment export potential. During the course of examination, Ministry of Textiles stated before the Committee that the scheme envisages robust State Govt. Support which includes Stamp Duty exemption of 50-100%, concession on land rates, 3-8% interest subsidy for 5-7 years, wage subsidy of Rs.3000-6000/workers/month for 5-7 years, ESI/EPF reimbursement of 50-100% for 3-5 years and SGST reimbursement of 60%-100% for 7-10 years. While appreciating the State Govt. initiatives for subsidizing, financially supporting and providing tax/duty exemptions and reimbursements, the Committee desire the Ministry to consider extending similar central tax/duty exemptions including CGST reimbursements and import duty rationalizations to curb low cost/undervalued import of Chinese knitted fabric”.

10. The Ministry of Textiles in their Action Taken Reply has stated as follows:

“Proposal is under examination in the Ministry.”

11. In order to prevent the influx of cheap imports, particularly of Chinese knitted fabrics, which undermines domestic manufacturing and affects the competitiveness of Indian textile producers, the Committee had recommended that the Ministry should consider extending Central Tax/Duty exemptions including CGST reimbursements on par with state-level subsidies envisaged for the scheme, as well as rationalization of import duties. The Ministry in their action taken reply have stated that 'Proposal is under examination in the Ministry'. The Committee urge the Ministry to expedite the examination of the proposal and also engage in consultation with the concerned Ministries for evolving an effective proposal for central tax relief measures similar to incentives

provided by States, including GST exemptions and import duty adjustments. The Committee desire to be apprised about the final action taken in this regard.

(Recommendations Para No. 8)

Need for Robust IT Infrastructure and E-Commerce System

12. With regard to the need for robust IT infrastructure and E-commerce system the Committee in their Thirty Seventh Original Report have made the following recommendation:

“The Committee recognize the crucial role of establishing a robust IT infrastructure for PM MITRA Parks, encompassing reliable hardware networks, data centers, and specialized software solutions. IT infrastructure is pivotal in providing technological support for the PM MITRA Scheme and in effectively managing commercial losses within the Textile Sector. The Committee acknowledge the Ministry's efforts in this direction, particularly in initiating steps to set up IT infrastructure for PM MITRA Parks. Notably, the creation of a dedicated portal for real-time monitoring of all seven projects is underway, with a trial version already in place and the final version slated for imminent execution. The Committee, therefore, strongly urge the Ministry to explore the possibility of establishing end-to-end IT infrastructure for PM MITRA Parks to create an Integrated textile value chain right from spinning, weaving, processing to a robust e-commerce system for hassle free and cost effective selling of textile products”

13. The Ministry of Textiles in their Action Taken Reply have stated as under:

“A dedicated Dash-board on PM MITRA Park is being developed to capture real-time progress /developments of each Mega Park.”

14. The Committee in their original report had emphasized the role of establishing robust IT infrastructure for the PM MITRA parks to ensure effective monitoring management and commercial success of the parks. The Committee had highlighted the need for an integrated IT system that would span the entire textile value chain from spinning and weaving to processing, along with a

comprehensive e-commerce platform for smooth and cost-effective selling of textile products. The Committee further stressed the importance of creating a holistic end-to-end IT infrastructure that would support real-time monitoring of all 7 PM MITRA projects. The Ministry of Textiles, in their action taken reply, mentions only the development of a dedicated dashboard, aimed at capturing real-time progress and development of each Mega Parks. Although, this is in line with the committee's recommendation of real time monitoring, the Ministry's response is focused solely on the dashboard for tracking progress rather than addressing the broader, more integrated IT infrastructure suggested by the Committee. The Committee had envisioned a more comprehensive IT solution that includes not just monitoring, but also links the entire value chain. The Committee, therefore reiterate their earlier recommendation and urge the Ministry of Textiles to expedite the development and implementation of a comprehensive end-to-end IT infrastructure for the PM MITRA parks that integrates the entire textile value chain from-spinning, weaving and processing to an advanced e-commerce platform for seamless selling of textile products. The Committee also desire to know timelines set for the dashboard to be functional. The Committee would await the Government's response in this regard.

(Recommendations Para No. 9)

Need to earmark land for safety and security establishment

15. In their Thirty Seventh Report, the Committee, had noted that availability of minimum 1000 acres of unencumbered and contiguous land pool was one of the basic requirements for submission of proposals by State Government for PM MITRA Park. The scheme also envisaged for detailed land utilization plan viz. 50% area for manufacturing zone for entire value chain including plug and play, 20% area for common utilities and infrastructures, 10% area for subsidized housing, schools, hospitals etc. 10% area for commercial use for hotels, exhibition, convention halls, 5% for specialized and value additives such as Testing Labs, Training Centre, R&D, Incubation Labs, startups etc. and 5% area for logistic zone and multi-model linkages etc. The Committee observed that there is no land earmarked for common safety and security establishment in the land utilisation plan. Therefore, they are of the view that the MITRA parks being spread over a contiguous land mass of 1000 acres, with huge

infrastructure costing crores of rupees, should have common safety and security establishment at a centre place. The Committee had urged the Ministry to earmark requisite percentage of land at a central place to establish common safety and security establishment and also make a provision for the SPV and Master Developer to utilize a portion of the CDS for meeting the expenditure related to establishment of state-of-the-art fire and safety installation.

16. The Ministry of Textiles in their Action Taken Reply have stated as follows:

“The minimum area required to establish PM MITRA Park was 1000 acres. The broad break-up of land-use proposed in the Mega park are:

- a. 50% area is to be demarcated for manufacturing (entire value chain from spinning to RMG including plug and play);
- b. 20% area for common utilities including CETPs;
- c. 10% area for social infrastructure;
- d. 10% area for Commercial Development (CD)
- e. 5% area for testing & Labs etc.;
- f. 5% area for logistics zone - multi-modal linkages, bonded areas, storage etc.

Thus, adequate arrangements have been provisioned.”

17. The Committee in their Original report had pointed out that, while the land use plan included several key areas for manufacturing, utilities, commercial activities and infrastructure, it did not earmark land specifically for safety and security installations (such as for fire safety, emergency response systems etc.), which are crucial in such large –scale developments. The recommendations of the Committee had primarily addressed the issue of safety and security in the PM MITRA Parks, urging the Ministry to include land for a common safety and security establishment, especially given the scale of the proposed mega Parks. However, the Ministry in their Action Taken Reply has simply furnished the broad break-up of land-use proposed in the Textile Parks emphasizing that the existing land-use provisions are “adequate”. The Committee are not satisfied with the Reply of the Ministry as it is completely silent on the aspect of earmarking land

for common safety and security establishment and feel that the Committee's original recommendation regarding earmarking land for common safety and security establishment has not been adequately addressed. The ministry's vague assurance of adequacy is not sufficient given the scale of and complexity of the proposed MITRA Parks. Detailed planning for safety and security should be a central part of the infrastructure development to ensure the safety of everyone. The Committee reiterate their Recommendation and urges the Ministry to earmark a specific portion of land within the PM MITRA parks for the establishment of centralized safety and security infrastructure and to clarify how safety measures will be integrated into the overall land use plan. The Committee also urge the Ministry to ensure that the SPV and Master Developer to utilize a portion of the CDS for meeting the expenditure for creation of state-of-the-art fire and safety installation. The Committee desire to be apprised of the action taken in their regard.

(Recommendations Para No. 11)

Need for Survey in unorganized Powerloom Sector

18. With regard to the need for conducting survey in the unorganized powerloom sector, the Committee in their Thirty Seventh Report, had recommendation the following to Ministry of Textile:

“The Committee note that the major challenges faced in the unorganized Powerloom Sector include inter-alia outdated technology, inadequate capital for modernization, less working capital, fragmentation, fluctuating raw material prices, lower productivity and high cost of products etc. The Committee are aware that there are almost 25.74 lakh powerlooms, accounting for 58.54% percent of total cloth production in the country. Ministry of Textiles stated that they do not maintain data regarding number of Powerloom owners in the country. The Committee feel that to ensure holistic development of the entire Powerloom Sector, the Ministry needs to undertake a fresh base line survey so that actual gaps of the sector are identified and the authentic data regarding status of Powerloom Sector is available. The Committee, therefore, urge the Ministry to conduct a base-line comprehensive survey covering the entire spectrum of Powerloom Sector inter-alia the number of workers, their

salary/wage status, units location, owners details, status of functioning etc. so that the precious data obtained may be utilised by policy formulators to foster Research and Development activities in the textile sector to derive innovation, modernization and increase productivity. The Committee also emphasize the need to establish collaborations between Textile Sector and academic institutions to encourage start-ups, knowledge sharing and technology transfer”.

19. The Ministry of Textiles, in their Action Taken Reply, have stated as follows:

“The last survey on the Powerloom sector was conducted in 2013, revealing approximately 24 lakh powerlooms operating across the country. In order to update the data and address the evolving challenges and ensure development, the process of conducting a baseline study for the powerloom industries in 2024 is commenced. The first meeting of the stakeholders / Technical Committee was held on 16th April 2024, which actively deliberated on the proposal, Terms of Reference (ToR), approach, methodology, etc. for conducting the study. The detailed proposal is currently under submission for further consideration.”

20. The Committee had identified several challenges in the unorganized Powerloom Sector and recommended the Ministry to conduct a comprehensive baseline survey to collect data on workers, wages, unit locations, ownership, and operational status. The Committee felt that this data would help address sectoral gaps and inform policy for research, innovation, and modernization. The Committee also stressed the importance of collaboration between the textile sector and academic institutions to support startups, knowledge sharing, and technology transfer. The Ministry in their action taken reply have informed that they have initiated the process of conducting a baseline study of the Powerloom Sector in 2024. The Ministry also informed that the first meeting of the stakeholders / Technical Committee was held on 16th April, 2024 which actively deliberated on the proposal, Terms of Reference (ToR), approach methodology etc. for conducting the study and that the detailed proposal is currently under submission for further consideration. The Committee are pleased to note that the Ministry has initiated the process of conducting the survey. However, they

remain concerned that the Ministry's action taken reply does not mention any concrete steps toward fostering research and development, innovation, technology adoption, or modernization in the textile sector. The Committee are also concerned that the Ministry have not addressed the recommendation to promote collaboration between the textile sector and academic institutions to encourage startups, knowledge sharing, and technology transfer. The Committee, while expressing their unhappiness over incomplete information furnished by the Ministry, reiterate their earlier recommendation and urge the Ministry to take urgent actions and apprise them about the steps taken in this regard. Furthermore, the Committee desire the Ministry to expedite the process of finalizing the survey's methodology and set a clear timeline for completing the baseline survey and publishing the results to ensure that the findings are immediately useable by policymakers, stakeholders and the textile industry to address critical challenges.

(Recommendations Para No. 13)

Need for expeditious resolution for revival of sick textile units

21. The Committee, in their Thirty Seventh Report, had recommended the following with regard to the need for expeditious resolution for revival of sick textile units:

“In the later part of 1960, a crisis emerged in the Indian textile industry as numerous mills became financially unstable, ceased operations, and faced imminent collapse, posing a severe economic imbalance and disrupted the employment scenario. To address this turmoil, Government intervention led to nationalization of 103 sick textile undertakings in 1974 under the Sick Textile Undertaking (Nationalization) Act 1974. Subsequent enactments viz. Swadeshi Cotton Mill Co. Ltd. (Acquisition and transfer of Undertakings) Act, 1986 and the Textile Undertakings (Nationalisation) Act, 1995 nationalised 6 mills and 15 mills respectively. The amendment to the above Acts in 1995 & 2014 respectively empowered the National Textile Corporation to transfer or dispose of assets for better management, modernization, restructuring, or revival of sick textile undertakings. Out of these 124 NTC mills nationalized, 5 mills were closed/merged and 119 mills referred to Board for Industrial and Financial Reconstruction (BIFR). British India Corporation Ltd. (BIC) was acquired by Govt.

of India through BIC (Acquisition of Shares) Act, 1981. BIC has two units viz. Cawnpur woolen Mills, Kanpur and New Egerton Woolen Mills, Dhariwal, Punjab and three subsidiaries viz. Elgin Mills Ltd., Cawnpur Textiles Ltd. and Brushware Ltd. Owing to continuous losses, BIC was referred to BIFR in 1991 and was declared sick in 1992. The Cabinet approved a revival scheme on 21.11.2001 (BIFR sanctioned on 18.12.2002) at a cost of Rs.211 crore which was to be met by sale of surplus land and assets. However, the scheme was declared as failed in 2005 because BIC could not infuse fund. The Cabinet gave "In principle" approval to the revival plan of BIC on 09.06.2011 at a total cost of Rs. 338.04 crore through infusion of funds to be provided by the Government of India subject to the condition that permission is first obtained for sale of surplus land from Govt. of UP. This revival Scheme of BIC could not take off as UP Govt. is yet to convert the land of BIC lease hold. The Committee observe that the revival efforts made by Government could not produce desired results due to various reasons such as prolonged litigations, technical obsolescence, excess manpower, labour issues, high production cost and lack of effective management, delay in implementation of revival plans, delay in resolving land related issues between Centre and State Governments etc. The Committee, therefore, urge the Ministry to prepare an action plan for a time bound resolution of issues related to each sick textile units across the country by involving all stakeholders. Steps should be taken for expeditious settlement of land related issues between Centre and State Governments. Legal experts should be engaged for settling the disputes through Alternate Dispute Resolution mechanism, wherever possible. Once Government has obtained the dispute free title of the properties of sick textile undertakings/units, which are non-operational, revival efforts should be undertaken through private investment including establishment of PM MITRA PARKS. The Committee further recommend that the Ministry should take effective pro-labour measures for providing relief and rehabilitation of workers rendered jobless due to closure of NTC, BIC and Non-SSI Textile Mills in private sector. The Ministry should maintain online data regarding workers rendered jobless in Textile Sector, details of workmen availed relief measures like salary, VRS package, pension etc., details of remaining workers and number of workers registered/benefited from Rajiv Gandhi Shramik Kalyan Yojana (RGSKY) under Ministry of Labour and Employment etc".

22. The Ministry of Textiles in their Action Taken Reply have stated as follows:

“The Department of Public Enterprises (DPE) in accordance with its guidelines dated 13.12.2021, has been entrusted with the responsibility to identifying CPSEs for closure or privatization in non-strategic sector in consultation with the stakeholders administrative Ministries/Departments. In line with this mandate, DPE constituted Committee of Group of Officers (CGO), which further constituted a Sub-Committee. The Sub-committee after analysing the feasibility of disinvestment of some of NTC mills as well as the feasibility of transfer of equity of subsidiaries/Joint Venture mills of NTC to the respective private JV Partners or closure, opined that it is prudent to close all 23 NTC working mills. Based on the report of the Sub-Committee, CGO recommended closure of NTC along with its 23 operating mills. Since NTC is running losses with negative net worth and not undertaking any significant business, the revival efforts made in the past have not yielded the desired result in the past. DPE in consultation with NITI Aayog, Ministry of Finance, Department of Expenditure, Department of Economic Affairs, DIPAM etc. is taking the matter forward in this regard in a time bound manner.

As regards settlement of land related issues between Centre and State Governments, engagement of Legal Experts for settling the disputes through Alternate Dispute Resolution Mechanism (ADRM), and establishment of PM Mitra Parks, Ministry of Textiles in consultation with DPE will take the process forward and complete the same by creating a Special Cell closure of PSUs of MoT and will contest the legal cases of these CPSEs and their subsidiary companies/ associated companies.

As regard to pro-labour measures providing relief and rehabilitation of workers rendered jobless due to closure of NTC and BIC, the same will be done as per DPE guidelines in this regard.”

23. The Committee, in their original report, had urged the Ministry of Textiles to prepare a time-bound action plan for the resolution of issues related to sick textile units across the country, including expeditious settlement of land disputes

between the Centre and State Governments, and the engagement of legal experts for dispute resolution through the Alternate Dispute Resolution Mechanism (ADRM). The Committee are concerned to note that the Ministry in their action taken reply have only indicated that consultations with other stake holders are ongoing without providing clear timelines for resolving the land issues or using ADR mechanisms effectively. The Ministry also referred to closure of NTC Mills in their reply but did not provide any action plan for resolution of all sick textile units nationwide. Further, the Committee had stressed the need for revival efforts through private investment, particularly the establishment of PM MITRA Parks to support non-operational textile units. However, the Ministry's response only indicated ongoing consultations with various departments, including the Department of Public Enterprises (DPE), NITI Aayog, and the Ministry of Finance, without outlining any specific roadmap or concrete steps to attract private investment or develop these parks. Regarding the rehabilitation of workers rendered jobless due to the closure of NTC, BIC, and other mills, the Committee had recommended pro-labour measures to provide relief and rehabilitation, including maintaining an online database of affected workers and tracking the relief measures provided to them, such as salary, VRS packages, and number of workers registered under Rajiv Gandhi Shramik Kalyan Yojana (RGSKY). While the Ministry acknowledged the need for such relief according to DPE guidelines, it did not provide any detailed plan for tracking, supporting, or rehabilitating workers, especially those outside the RGSKY scheme. In light of the responses provided by the Ministry in their action taken reply, the Committee reiterate their original recommendations. The Committee urge the Ministry to take immediate and concrete actions to address the issues raised, and to provide a detailed update on the steps taken in this regard.

Chapter – II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observations/Recommendations(Para No 1)

Need to Frame a Comprehensive National Textile Policy

Indian Textile Industry is facing major problems like technological obsolescence, high input cost (power and capital), poor access to credit, fragmented units, absence of fiber neutrality, unskilled labourers and low investment etc. In order to overcome these hurdles, Govt. of India has launched several schemes to support Textile & Apparel Sector viz. Knitting and Knitwear Sector scheme, Amended Technology upgradation Fund Scheme (ATUFs), National Handloom Development programme, Integrated Textile Parks Scheme (SITP), PLI Scheme etc. Government has launched the ambitious PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme with a strong emphasis on making the Indian textile industry globally competitive by reducing input cost, increasing economy of scale, higher productivity and Free Trade Agreements (FTA). Inspired by the 5F vision (Farm to Fiber to Factory to Fashion to Foreign) of the Hon'ble Prime Minister, the PM MITRA Parks are a way forward in making India a global hub for Textile manufacturing and exports. These Parks are aimed to achieve higher size and scale alongwith creation of modern and integrated value chain with world class infrastructure and plug and play facilities to attract large investment and to boost employment generation. The Committee are aware that several States have different textile policies and Schemes to address the challenges faced by Textile Industry and to further boost its growth. The Committee are of the view that the successful implementation of PM MITRA PARK Scheme to a large extent depend on aligning the industry oriented and pro-active State Textile Policies/schemes with National Textile Policy. Therefore, the Committee urge the Ministry to frame a comprehensive National Textile Policy, with a view to make Indian textile Industry globally competitive by incorporating the best international practices and industry oriented pro-active aspects of State Textile Policies/Schemes.

Reply of the Government

The status of National Textile Policy is as under:-

Department for Promotion of Industry and Internal Trade (DPIIT) being a nodal Department is finalizing a comprehensive Industrial Policy to establish a broad framework for all sectors including the Textile Sector.

Observations/Recommendations(Para No. 2)

Need for Review of Selection Procedure

PM MITRA Parks are being set up at textile oriented and strategic locations within the country which has the existing favourable environment and ecosystem required for its successful implementation. The Ministry, in one of its written submissions, stated that eligible States and sites were evaluated using a transparent challenge method based on objective criteria, taking into account a variety of factors such as connectivity, existing eco-system, textile industry policy, infrastructure, utility services etc. PM Gati Shakti National Master Plan for multi model connectivity was also used for validation. State Govts. were expected to submit Preliminary Project Report (PPR) with minimum 1000 acres unencumbered and contiguous land parcel and to confirm permission for industrial and commercial land use for 10% of the area and support for environment clearance for the project. The Committee note that out of the 18 proposals received from 13 States, only 7 proposals received from States viz. Tamil Nadu, Telegana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh and Maharashtra have been selected by the Project Approval Committee (PAC). The Committee are of the view that the huge land bank available with the defunct units of NTC, BIC and others should be utilized for setting up PM MITRA Parks to revive the textile sector, instead of selling it for a meager sum. The Committee strongly recommend that the Ministry should review the selection procedure with a view to set up more PM MITRA Parks to enable speedy recovery of the Indian Textile Sector. Further, more than 1000 acres of land available with Barachakia Unit and 174 acres land available with Chanpatia Unit of Champaran Sugar Company Ltd. can be utilized for the purpose.

Reply of the Government

The Selection procedure is as per approval accorded by the Cabinet. However, for future schemes or for any additional Parks under this Scheme, the suggestions of the Committee are noted for due consideration.

Observations/Recommendations(Para No 4)

Need to Include State Representatives and Technical Experts in PMA

Ministry of Textiles, in their written reply has submitted that they will periodically monitor the progress of the projects under the scheme. A Project Monitoring Agency (PMA) will be appointed for the purpose, which will act as the Technical Arm by providing secretarial, managerial and implementation support to the Ministry for effective and timely implementation of the scheme. The Committee are informed that the process of appointment of PMA is underway. Considering the mandate of the Project Monitoring Agency, the Committee desire that the process of appointment of the PMA should be completed without further delay and State Government, being the major stakeholder in the project, should be given due representation in the PMA. Further, the Committee recommend that the possibility of roping in domestic and international textile experts and technocrats in PMA should be explored.

Reply of the Government

The SPV formed comprises representatives of both Centre and State Government on its Board. Each Project will have separate Project Management Consultants (PMCs) for their state. Besides, for monitoring and implementation of Scheme, Ministry of Textiles is in the process of on-boarding a separate PMA which will include technical experts viz. industrial Infrastructural expert, Procurement and Contract Expert, Textile Expert, Corporate secretariat/ Legal Expert etc.

Comments of the Committee

(Please see Para no.8 of Chapter I)

Observations/Recommendations(Para No. 7)

Need for special incentives for all women manufacturing units and female workers.

Traditionally, Textile Industry has been engaging large number of skilled and unskilled workers and artisans. One of the major objectives of PM MITRA Park Scheme is to generate employment opportunities. The scheme also provides for huge budgetary support for setting up of such parks to attract investments. The Committee note that the Indian Textile Industry engages significant female workforce, particularly in the handloom/powerloom segments and production units for ready-made Garments. The Committee, therefore, desire that in a scheme like PM MITRA, there should be provision for special incentives to attract women entrepreneurs and the Ministry should make mandatory provision for basic amenities for female workers such as restroom, crèche facility, medical care, options for part-time work, flexible working hours to maintain a work-life balance. Further, they should also be provided technical and managerial assistance for setting up all women manufacturing units/parks.

Reply of the Government

Textile Sector employs a large number of women especially in the garmenting segment. Suitable facilities for workforce including women workers will be duly considered in the PM MITRA Parks.

Observations/Recommendations(Para No. 10)

Need for vertical integration in Powerloom Sector

The Committee note that presently the work relating to fibre, yarn, processing of cloth, printing, garmenting, etc. is spread over various places across the country. The Committee have been apprised that lack of integration decreases competitiveness and also minimizes diversification, which has direct impact on the cost of product. As a result, apparels produced by Indian Textile Sector are facing tough competition in domestic as well as international markets. The Committee are of the considered opinion that establishment of PM-MITRA Parks would address the issue of lack of vertical integration faced by Powerloom Sector. The Committee, therefore, urge the Ministry to

take proactive steps to ensure vertical integration of Powerloom Sector beyond the ambit of PM MITRA Parks to convert the Indian textile and apparel industry from fragmented to integrated and from un-organised to organised so that Indian apparel sector may be able to face the escalating global competition from countries like Bangladesh, China and Turkey.

Reply of the Government

The PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme would lead to creation of a modern, integrated large scale, world class industrial infrastructure including plug and play facilities. The scheme is to develop integrated large scale and modern industrial infrastructure facility for entire value-chain of the textile industry.

Apart from PM MITRA, Scheme for Integrated Textile Parks(SITP), addresses the issue of lack of vertical integration faced by Powerloom sector.

Observations/Recommendations(Para No. 11)

Need for Survey in unorganized Powerloom Sector

The Committee note that the major challenges faced in the unorganized Powerloom Sector include inter-alia outdated technology, inadequate capital for modernization, less working capital, fragmentation, fluctuating raw material prices, lower productivity and high cost of products etc. The Committee are aware that there are almost 25.74 lakh powerlooms, accounting for 58.54% percent of total cloth production in the country. Ministry of Textiles stated that they do not maintain data regarding number of Powerloom owners in the country. The Committee feel that to ensure holistic development of the entire Powerloom Sector, the Ministry needs to undertake a fresh base line survey so that actual gaps of the sector are identified and the authentic data regarding status of Powerloom Sector is available. The Committee, therefore, urge the Ministry to conduct a base-line comprehensive survey covering the entire spectrum of Powerloom Sector inter-alia the number of workers, their salary/wage status, units location, owners details, status of functioning etc. so that the precious data obtained may be utilised by policy formulators to foster Research and Development activities in

the textile sector to derive innovation, modernisation and increase productivity. The Committee also emphasise the need to establish collaborations between Textile Sector and academic institutions to encourage startups, knowledge sharing and technology transfer.

Reply of the Government

The last survey on the Powerloom sector was conducted in 2013, revealing approximately 24 lakh powerlooms operating across the country. In order to update the data and address the evolving challenges and ensure development, the process of conducting a baseline study for the powerloom industries in 2024 is commenced. The first meeting of the stakeholders / Technical Committee was held on 16th April 2024, which actively deliberated on the proposal, Terms of Reference (ToR), approach, methodology, etc. for conducting the study. The detailed proposal is currently under submission for further consideration.

Comments of the Committee

(Please see Para no.20 of Chapter I)

Observations/Recommendations(Para No. 12)

Need for effective Pollution Control and effluent Management System

Textile industry is known for its sound, air and water pollution. It uses hazardous substances in the process of dyeing and fabric finishing. These include acids, ionic chemicals, alkaline solutions and enzymes, which are harmful not only to the workers and employees who are directly engaged in the industry, but also for the eco-system in the surrounding area. The workers are prone to various chronic illness like lung cancer, respiratory, musculoskeletal and osteoarthritis. The Textile Industry's large scale usage of solvents and its exposure to harmful substances in the water bodies causes Typhoid, Cholera, Jaundice etc. among those living near textile mills. The Committee urge the Ministry of Textiles to conduct Environmental Impact Assessment (EIA) of each approved park and put in place adequate provision to make it mandatory for the SPVs and Master Developers (MD) to ensure that Common Effluent Treatment Plant (ETP),

Sewage Treatment Plant (STP), Wastewater Treatment Plant (WWTP) are made operational along with parks/mills. The Committee would like to be apprised of the action taken in this regard.

Reply of the Government

The PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme would lead to creation of a modern, integrated large scale, world class industrial infrastructure including plug and play facilities. It is envisaged to help India in achieving the United Nations Sustainable Development Goal 9 (“Build resilient infrastructure, promote sustainable industrialization and foster innovation”). The scheme is to develop integrated large scale and modern industrial infrastructure facility for entire value-chain of the textile industry including that of effective Pollution Control and effluent Management System.

Observations/Recommendations(Para No. 13)

Need for expeditious resolution for revival of sick textile units

In the later part of 1960, a crisis emerged in the Indian textile industry as numerous mills became financially unstable, ceased operations, and faced imminent collapse, posing a severe economic imbalance and disrupted the employment scenario. To address this turmoil, Government intervention led to nationalization of 103 sick textile undertakings in 1974 under the Sick Textile Undertaking (Nationalization) Act 1974. Subsequent enactments viz. Swadeshi Cotton Mill Co. Ltd. (Acquisition and transfer of Undertakings) Act, 1986 and the Textile Undertakings (Nationalisation) Act, 1995 nationalised 6 mills and 15 mills respectively. The amendment to the above Acts in 1995 & 2014 respectively empowered the National Textile Corporation to transfer or dispose of assets for better management, modernization, restructuring, or revival of sick textile undertakings. Out of these 124 NTC mills nationalized, 5 mills were closed/merged and 119 mills referred to Board for Industrial and Financial Reconstruction (BIFR).

British India Corporation Ltd. (BIC) was acquired by Govt. of India through BIC (Acquisition of Shares) Act, 1981. BIC has two units viz. Cawnpur woolen Mills, Kanpur

and New Egerton Woolen Mills, Dhariwal, Punjab and three subsidiaries viz. Elgin Mills Ltd., Cawnpur Textiles Ltd. and Brushware Ltd. Owing to continuous losses, BIC was referred to BIFR in 1991 and was declared sick in 1992. The Cabinet approved a revival scheme on 21.11.2001 (BIFR sanctioned on 18.12.2002) at a cost of Rs.211 crore which was to be met by sale of surplus land and assets. However, the scheme was declared as failed in 2005 because BIC could not infuse fund. The Cabinet gave “In principle” approval to the revival plan of BIC on 09.06.2011 at a total cost of Rs. 338.04 crore through infusion of funds to be provided by the Government of India subject to the condition that permission is first obtained for sale of surplus land from Govt. of UP. This revival Scheme of BIC could not take off as UP Govt. is yet to convert the land of BIC lease hold. The Committee observe that the revival efforts made by Government could not produce desired results due to various reasons such as prolonged litigations, technical obsolescence, excess manpower, labour issues, high production cost and lack of effective management, delay in implementation of revival plans, delay in resolving land related issues between Centre and State Governments etc. The Committee, therefore, urge the Ministry to prepare an action plan for a time bound resolution of issues related to each sick textile units across the country by involving all stakeholders. Steps should be taken for expeditious settlement of land related issues between Centre and State Governments. Legal experts should be engaged for settling the disputes through Alternate Dispute Resolution mechanism, wherever possible. Once Government has obtained the dispute free title of the properties of sick textile undertakings/units, which are non-operational, revival efforts should be undertaken through private investment including establishment of PM MITRA PARKS. The Committee further recommend that the Ministry should take effective pro-labour measures for providing relief and rehabilitation of workers rendered jobless due to closure of NTC, BIC and Non-SSI Textile Mills in private sector. The Ministry should maintain online data regarding workers rendered jobless in Textile Sector, details of workmen availed relief measures like salary, VRS package, pension etc., details of remaining workers and number of workers registered/benefited from Rajiv Gandhi Shramik Kalyan Yojana (RGSKY) under Ministry of Labour and Employment etc.

Reply of the Government

The Department of Public Enterprises (DPE) in accordance with its guidelines dated 13.12.2021, has been entrusted with the responsibility to identifying CPSEs for closure or privatization in non-strategic sector in consultation with the stakeholders administrative Ministries/Departments. In line with this mandate, DPE constituted Committee of Group of Officers (CGO), which further constituted a Sub-Committee. The Sub-committee after analysing the feasibility of disinvestment of some of NTC mills as well as the feasibility of transfer of equity of subsidiaries/Joint Venture mills of NTC to the respective private JV Partners or closure, opined that it is prudent to close all 23 NTC working mills. Based on the report of the Sub-Committee, CGO recommended closure of NTC along with its 23 operating mills. Since NTC is running losses with negative net worth and not undertaking any significant business, the revival efforts made in the past have not yielded the desired result in the past. DPE in consultation with NITI Aayog, Ministry of Finance, Department of Expenditure, Department of Economic Affairs, DIPAM etc. is taking the matter forward in this regard in a time bound manner.

As regards settlement of land related issues between Centre and State Governments, engagement of Legal Experts for settling the disputes through Alternate Dispute Resolution Mechanism (ADRM), and establishment of PM Mitra Parks, Ministry of Textiles in consultation with DPE will take the process forward and complete the same by creating a Special Cell closure of PSUs of MoT and will contest the legal cases of these CPSEs and their subsidiary companies/ associated companies.

As regard to pro-labour measures providing relief and rehabilitation of workers rendered jobless due to closure of NTC and BIC, the same will be done as per DPE guidelines in this regard.

Comments of the Committee

(Please see Para no.23 of Chapter I)

Observations/Recommendations(Para No. 14)

Need to take over control/possession of Champaran Sugar Company Ltd. (CSCL)

Champaran Sugar Company Ltd. (CSCL), an associate Company with 41.83% share holding with its headquarters at Kanpur has two units in Bihar, i.e. Barachakia Unit with land assets of 1008.20 acres and Chanpatia Unit with land assets of 174.24 acres. Since the CSCL was running in huge losses, Board of Industrial and Financial Reconstruction (BIFR) recommended for its winding up, which was accepted by the Hon'ble Company Court on 5 September, 1994. Barachakia Unit was put on sale and the Auction Purchaser took over the possession and the sale deed was executed between the Official Liquidator (OL) and the Auction Purchaser for a total sale consideration of Rs.8,10,40,000/-. But the registration process could not be completed as the Registering Authority had doubt regarding valuation and the court directed Collector in December, 2013 to take appropriate decision in the matter. Ministry of Textiles have requested their Senior Advocate to arrange for sale certificates issued by OL in the matter of Barachakia and Chanpatia Sugar Mills. OL invited bids for sale of Chanpatia Unit and Hon'ble Company Judge accepted the highest offer for 2.01 crore. The Auction Purchaser failed to deposit the amount. However, Hon'ble High Court, Allahabad directed the Auction Purchaser to run the factory under the supervision of Official Liquidator (OL). On receipt of Bank Draft of Rs. 25 lakh and cheque amounting to Rs.1.76 crore, physical possession of the factory was handed over to the Auction Purchaser on 24.5.2006. However, OL has reported that the Auction Purchaser has failed to implement the main object of the auction, which was to run the factory and retain the employment of its employees. OL further stated that the sale was not confirmed in his favour as the payment was not made on time. DM, West Champaran, in response to a letter dated 9.3.2022 informed Ministry of Textiles that due to lack of security, the property has been encroached by local people. The Auction Purchaser has been informed to submit all relevant document to prove his ownership of the mill and its assets. He has not responded to it. The Hon'ble Company Court, Allahabad has admitted an application filed by Ministry of Textiles on 17.5.2023 under Section 466 of Companies Act, 1956 for recalling its order dated 22.11.2002 as the Auction Purchaser and OL has failed to comply with it. The Committee note that even after more than 20

years, Ministry of Textiles has given no solution. This has resulted not only in non-operationalisation of the mill but also encroachment of the property. The Committee feel that the land available with sugar units at Chanpatia and Barachakia may be utilized for PM MITRA/Mini Textile Park. The Committee, therefore, urge the Ministry of Textiles to work for taking over control/possession of CSCL with the permission of concerned Court, as the huge land mass of Barachakia and Chanpatia Units of CSCL could be considered for development of a PM MITRA/Mini Textile Park without further loss of time.

Reply of the Government

Champan Sugar Company Limited (CSCL) an Associate Company of BIC, having its two units i.e., Barachakia Sugar Mill at East Champan & Chanpatia Sugar Mill at West Champan Bihar, was ordered for winding up by the Hon'ble High Court Allahabad in its order dated 05.09.1994 and Official Liquidator (OL) was appointed for liquidation.

OL vide letter dated 23.02.2021 & 09.07.2022 has informed that: - The assets of Barachakia Sugar Mill was sold on 12.11.2008, in compliance of Hon'ble Supreme court order. The assets (Movable and Immovable assets) had been handed over to the Auction Purchaser after confirmation of sale.

The possession of Chanpatia Sugar Unit was given to Auction Purchaser for running the Mill but he failed, the sale of this unit was not confirmed.

In this regard, Ministry on behalf of Union of India has filed application on 05.04.2023, before Hon'ble Company Court/High court Allahabad, under section 466 of the Companies Act, for recalling the winding up order of Champan Sugar Company Limited (CSCL) dated 05.09.1994 and to take the assets of Chanpatia Sugar Mill unit of CSCL.

In so far as the Committee's advice/suggestion with respect to taking back of the control/possession of land assets of CSCL is concerned, since the matter is presently sub-judice before the Hon'ble High Court of Allahabad, hence, the advice/suggestion of the Committee shall be considered upon a favourable order/decreed of the Hon'ble Company Court. Furthermore, the Ministry is actively pursuing/contesting the matter through their legal team so as to bring about a favourable outcome without any unnecessary delay.

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

(Recommendations Para No. 3)

Need for expediting formation of SPVs

The Committee note that Special Purpose Vehicle (SPV) is a joint venture between the State and Central Government, registered under Companies Act, 2013 for each PM MITRA Park with a paid up capital of ₹10 Crore. The Special Purpose Vehicle (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. SPV will be responsible for appointment of Master Developer (MD) and to engage them through a Concession Agreement. The Master Developer will be responsible for designing, planning, building, financing, operating and maintaining the MITRA Parks. SPV will be responsible for overall development, governance and administration of the Parks. The Committee note that SPV formation is a crucial stage. However, out of the 7 proposals approved, only 2 States viz. Gujarat and Uttar Pradesh have incorporated SPVs so far and other States are still in the process. The Committee are informed that review meetings with State Government representatives are being held regularly at the level of Secretary, the Chairperson of Project Approval Committee. Besides, a dedicated portal has also been created by the Ministry of Textiles for monitoring progress of all 7 projects on real-time basis. The Committee, while underlining the importance of formation of SPVs at the earliest for establishing the PM MITRA Parks, desire that the Ministry should adopt a more proactive role particularly in finding out the reasons for delay in formation of SPVs in remaining States and also in assisting them for SPV formation at the earliest so that the process of establishing the PM MITRA Parks is put on fast track to attract domestic as well as foreign investments.

Reply of the Government

SPVs of all 5 Greenfield sites have been incorporated while the existing SPVs in respect of 2 Brownfield sites shall continue. Thus institutional arrangements for all 7 Mega Parks are in place.

(Recommendations Para No. 5)

Need to make adequate Budgetary Provision

The Committee have been apprised that Government has approved setting up of 7 PM MITRA parks on Greenfield/Brownfield sites to develop world class infrastructure including plug and play facility with an outlay of Rs.4,445 crore during the period of 7 years from 2021-22 to 2027-28. Central Government will provide Development Capital Support (DCS) of Rs.300 crore and Rs.200 crore in Phase-I and II respectively for Greenfield sites and Rs.200 crores and Rs.100 crores in phase-I&II respectively for Brownfield sites. DCS is given for creation of core infrastructure for plug and play facilities viz. developing factory sites, Incubation Centre, roads, power, water etc. In addition, there is a provision for Competitive Incentive Support (CIS) of Rs.300 crore for incentivising manufacturing units get established early in PM MITRA park. The Committee observe that the budgetary provision for PM MITRA parks in BE for 2021-22 was Rs.0.50 crore, 2022-23 was Rs.15 crore and for 2023-24 is Rs.200 crore. The Committee recommend that there is a need for more budgetary provision adequate enough for timely release of DCS for creation of core infrastructure in each of the 7 approved MITRA Park so that potential investors are attracted for early establishment and production.

Reply of the Government

An outlay of Rs.4,445 crore has been allotted by the Government for its implementation. Besides, in FY 2024-25, Budgetary Provision of Rs.300 crore has been provided.

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Observations/Recommendations(Para No.8)

Need for Robust IT Infrastructure and E-Commerce System

The Committee recognize the crucial role of establishing a robust IT infrastructure for PM MITRA Parks, encompassing reliable hardware networks, data centers, and specialized software solutions. IT infrastructure is pivotal in providing technological support for the PM MITRA Scheme and in effectively managing commercial losses within the Textile Sector. The Committee acknowledge the Ministry's efforts in this direction, particularly in initiating steps to set up IT infrastructure for PM MITRA Parks. Notably, the creation of a dedicated portal for realtime monitoring of all seven projects is underway, with a trial version already in place and the final version slated for imminent execution. The Committee, therefore, strongly urge the Ministry to explore the possibility of establishing end-to-end IT infrastructure for PM MITRA Parks to create an Integrated textile value chain right from spinning, weaving, processing to a robust e-commerce system for hassle free and cost effective selling of textile products.

Reply of the Government

A dedicated Dash-board on PM MITRA Park is being developed to capture real-time progress /developments of each Mega Park.

Comments of the Committee

(Please see Para no.14 of Chapter I)

Observations/Recommendations(Para No. 9)

Need to earmark land for safety and security establishment

The Committee note that availability of minimum 1000 acres of unencumbered and contiguous land pool is one of the basic requirements for submission of proposals by

State Government for PM MITRA Park. The scheme also envisages for detailed land utilization plan viz. 50% area for manufacturing zone for entire value chain including plug and play, 20% area for common utilities and infrastructures, 10% area for subsidized housing, schools, hospitals etc. 10% area for commercial use for hotels, exhibition, convention halls, 5% for specialized and value additives such as Testing Labs, Training Centre, R&D, Incubation Labs, startups etc. and 5% area for logistic zone and multi-modal linkages etc. The Committee observe that there is no land earmarked for common safety and security establishment in the land utilisation plan. Therefore, they are of the view that the MITRA parks being spread over a contiguous land mass of 1000 acres, with huge infrastructure costing crores of rupees, should have common safety and security establishment at a centre place. The Committee urge the Ministry to earmark requisite percentage of land at a central place to establish common safety and security establishment and also make a provision for the SPV and Master Developer to utilize a portion of the CDS for meeting the expenditure related to establishment of state-of-the-art fire and safety installation.

Reply of the Government

The minimum area required to establish PM MITRA Park was 1000 acres. The broad break-up of land-use proposed in the Mega park are:

- a. 50% area is to be demarcated for manufacturing (entire value chain from spinning to RMG including plug and play);
- b. 20% area for common utilities including CETPs;
- c. 10% area for social infrastructure;
- d. 10% area for Commercial Development (CD)
- e. 5% area for testing & Labs etc.;
- f. 5% area for logistics zone - multi-modal linkages, bonded areas, storage etc.

Thus, adequate arrangements have been provisioned.

Comments of the Committee
(Please see Para no.17 of Chapter I)

CHAPTER V

OBSERVATIONS/ RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Observations/Recommendations(Para No. 6)

Need for Rationalization of Tax Regime

PM MITRA Parks are being set up as a joint venture of centre and State Governments to house the entire value chain at one place, aiming to attract domestic and foreign investment, generate employment and augment export potential. During the course of examination, Ministry of Textiles stated before the Committee that the scheme envisages robust State Govt. Support which includes Stamp Duty exemption of 50-100%, concession on land rates, 3-8% interest subsidy for 5-7 years, wage subsidy of Rs.3000-6000/workers/month for 5-7 years, ESI/EPF reimbursement of 50- 100% for 3-5 years and SGST reimbursement of 60%-100% for 7-10 years. While appreciating the State Govt. initiatives for subsidizing, financially supporting and providing tax/duty exemptions and reimbursements, the Committee desire the Ministry to consider extending similar central tax/duty exemptions including CGST reimbursements and import duty rationalizations to curb low cost/undervalued import of Chinese knitted fabric.

Reply of the Government

Proposal is under examination in the Ministry.

Comments of the Committee

(Please see Para no.11 of Chapter I)

**NEW DELHI;
16 December, 2024
Agrahayana 25, 1946(Saka)**

**Dr. SANJAY JAISWAL
CHAIRPERSON
COMMITTEE ON ESTIMATES**

MINUTES OF THE NINTH SITTING OF THE COMMITTEE ON ESTIMATES (2024-2025)

The Committee sat on Monday, the 16th December, 2024 from 1600 hrs. to hrs. in Room No. '52-B', First Floor, Samvidhan Sadan, New Delhi.

PRESENT

Dr. Sanjay Jaiswal - Chairperson

Members

2. Shri Brijmohan Agrawal
3. Shri M. Mallesh Babu
4. Shri Pradan Baruah
5. Shri Kalyan Banerjee
6. Shri P. P. Chaudhary
7. Smt. Sangeeta Kumari Singh Deo
8. Shri Deepender Singh Hooda
9. Shri Manish Jaiswal
10. Thiru Dayanidhi Maran
11. Shri P. C. Mohan
12. Shri B.K. Parthasarathi
13. Shri Rajiv Pratap Rudy
14. Dr. Rajkumar Sangwan
15. Shri Arvind Ganpat Sawant
16. Kumari Selja
17. Dr. Indra Hang Subba
18. Shri Manoj Tiwari
19. Shri Ve vaithilingam

SECRETARIAT

1. Shri Y. M. Kandpal - Joint Secretary
2. Shri Lalkithang - Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration and adoption of the following draft Reports:

- (i) XXX XXX XXX
- (ii) XXX XXX XXX
- (iii) XXX XXX XXX
- (iv) XXX XXX XXX and
- (v) Draft Report on Action Taken by the Government on the Observations/Recommendations contained in the 37th Report (17th Lok Sabha) of the Committee on the subject “Empowerment through PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme and Revival efforts for sick textile Units/PSUs [BIC, NTC, CTL etc.]”.

3. Thereafter, the Committee adopted the Draft Reports without any modifications. The Committee, then, authorised the Chairperson to finalize the draft Reports and present the same to Lok Sabha.

The Committee, then, adjourned.

APPENDIX II

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE 37TH REPORT OF THE COMMITTEE ON ESTIMATES (EIGHTEENTH LOK SABHA)

(i)	Total number of recommendations/observations	14
(ii)	Recommendations/Observations which have been accepted by the Government: (Sl. NO. 1,2,4,7,10,11,12,13, and 14) Percentage of total recommendations	09 64.28%
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of Government's reply: (Sl. NO. 3 and 5) Percentage of total recommendations	2 14.28%
(iv)	Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee: (Sl. NO. 8 and 9) Percentage of total recommendations	2 14.28%
(v)	Observations/Recommendations in respect of which final reply of Government is still awaited: Sl. NO. 6 Percentage of total recommendations	1 07.14%