

**F.No.1/13/2025-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

5th Floor, STCs Building,
Janpath New Delhi
Dated: 10th June 2026

Record of Discussion

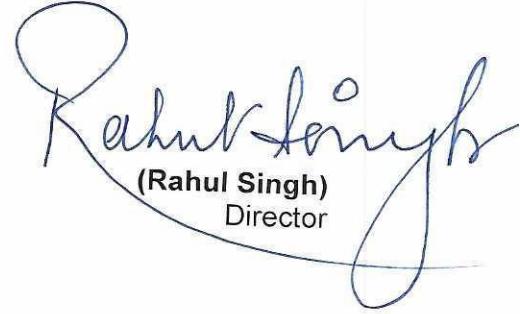
Subject: Record of Discussion of the 147th meeting of the PPPAC for Examination of Bid Documents for two PM Mega Integrated Textile Region and Apparel (PM MITRA) Park projects of the Ministry of Textile (MoT) on PPP mode.

Reference: 147th meeting of the PPPAC held on 2nd June 2026.

Sir/ Madam,

The undersigned is directed to forward the Record of Discussion of the 147th meeting of the PPPAC held on 2nd June 2026 under the chairmanship of Secretary (EA) for information and necessary action.

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


(Rahul Singh)
Director

To,

1. **Secretary, Department of Expenditure, New Delhi**
2. **CEO, NITI Aayog, Yojana Bhawan, New Delhi**
3. **Secretary, Ministry of Textiles, New Delhi**
4. **Chief Secretary, Government of Uttar Pradesh**
5. **Chief Secretary, Government of Gujarat**
6. **Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi.**
7. **CEO, NICDC, New Delhi**

Copy to:

1. **Sr. PPS to Secretary (EA)**
2. **PPS to JS (IFS)**

Subject: Record of Discussion of the 147th meeting of the PPPAC for Examination of Bid Documents of the following two PM MITRA Park projects:

- I. Development, Operation and Maintenance of the PM MITRA project at Lucknow, Uttar Pradesh.
 - II. Development, Operation and Maintenance of the PM MITRA project at Vansi, Navsari, Gujarat.
1. The 147th meeting of the PPPAC was held on 2nd June 2026 at 12:00 Noon and 5:45 PM for examination of bid documents of the above mentioned two projects.
 2. List of attendees is placed at **Annexure-I**.
 3. With the permission of Secretary (EA), Joint Secretary (IFS) welcomed all the attendees to the meeting and requested the Project Sponsoring Authorities (PSAs) to make presentation on above mentioned projects.
- I. **Development, Operation and Maintenance of the PM MITRA project at Lucknow, Uttar Pradesh.**

The details of the project are as given below:

S.No.	Item	Description
1.	Name of the Project	PM MITRA Park Uttar Pradesh Limited
2.	Type of PPP (BOT, BOOT, BOLT, OMT etc.)	Public Private Partnership (PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis
3.	Location (State/District/Town)	State: Uttar Pradesh District: Lucknow and Hardoi
4.	Sponsoring Authority	<ul style="list-style-type: none"> • Ministry of Textiles, Government of India • Directorate of Handloom and Textiles Government of Uttar Pradesh
5.	Implementing Agency	Through Special Purpose Vehicle named "PM MITRA Park Uttar Pradesh Limited" with following holding. <ul style="list-style-type: none"> • 51% by GoUP • 49% by Gol
6.	Brief description of the project	The Ministry of Textiles, Government of India and Government of Uttar Pradesh has signed an MoU to develop a greenfield mega textile and apparel park spanning 1000 acres at Lucknow, Uttar Pradesh. Nestled amidst the rich cultural heritage and bustling urban landscape of Lucknow, the capital city of the state, Uttar Pradesh offers a prime investment opportunity that is second to none. As the PM MITRA Park Lucknow is situated in the state's capital, it boasts unparalleled access to a vibrant ecosystem that fosters growth, collaboration, and success. PM MITRA Park Uttar Pradesh Limited (the "Authority"), a SPV jointly owned by the

		<p>Government of India and the Government of Uttar Pradesh, has been incorporated for the implementation of the project. As part of this endeavour, PM MITRA Park Uttar Pradesh Limited intends to develop a greenfield Mega Textile and Apparel Park spanning 1000 acres in the state's capital city under the PM MITRA Parks Scheme of the Ministry of Textiles, Government of India through Public Private Partnership (the "PPP") on Design, Build, Finance, Operate and Transfer (the "DBFOT") basis. The Authority has decided to carry out the Bidding Process for selection of an entity as the Bidder to whom the Project may be awarded.</p> <p>The Project also envisages various related and allied infrastructure facilities including but not limited to preparation of detailed project report/Master Plan, development of core infrastructure such as Internal Road; Power Distribution Infrastructure; Water and Waste Water treatment facilities; Development of Plug & Play Infrastructure for Textiles Designers, Apparel Manufacturers, Accessories Manufacturers; Factory Sites; Incubation Centre, Support Infrastructure e.g. Common Processing Facility, Common Effluent Treatment Plant (CETP) with Zero Liquid Discharge (ZLD), Workers' Hostel & Housing, (Specially for women Worker), Health Facility, Training & Skill Development, Creche Warehousing, Logistics and other facilities as more particularly described in the draft Concession Agreement annexed as Volume II to this RFP.</p>																
7.	Estimated capital costs with break-up under major heads of expenditure.	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Cost (in INR Crore)</th> </tr> </thead> <tbody> <tr> <td>Core Infrastructure Cost</td> <td>896.53</td> </tr> <tr> <td>Plug & Play</td> <td>364.29</td> </tr> <tr> <td>Residential</td> <td>38.47</td> </tr> <tr> <td>CETP</td> <td>318.88</td> </tr> <tr> <td>Centralised Steam</td> <td>67.18</td> </tr> <tr> <td>Other Expenses including Contingency</td> <td>261.57</td> </tr> <tr> <td>Total Cost</td> <td>1,946.92</td> </tr> </tbody> </table>	Particulars	Cost (in INR Crore)	Core Infrastructure Cost	896.53	Plug & Play	364.29	Residential	38.47	CETP	318.88	Centralised Steam	67.18	Other Expenses including Contingency	261.57	Total Cost	1,946.92
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10.	Concession Agreement	The PM MITRA Park is a unique initiative and will be implemented for the first time through the PPP/Master Developer model. Since no Model Concession Agreement (MCA) is currently available, DCA has been prepared based on the MCA of the Multi-Modal Logistics Park (MMLP).								
11.	Bidding process	Single Stage two envelope								
12.	Bidding parameter	Minimum Guaranteed Revenue Share								

II. **Development, Development, Operation and Maintenance of the PM MITRA project at Vansi, Navsari, Gujarat.**

The details of the project are as given below:

S.No.	Item	Description
1.	Name of the Project	PM MITRA Park Gujarat Limited
2.	Type of PPP (BOT, BOOT, BOLT, OMT etc.)	Public Private Partnership (PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis
3.	Location (State/District/Town)	State: Gujarat District: Navsari
4.	Sponsoring Authority	<ul style="list-style-type: none"> Ministry of Textiles, Government of India
5.	Implementing Agency	Through Special Purpose Vehicle named "PM MITRA Park Gujarat Limited" with following holding. <ul style="list-style-type: none"> 51% by GoG 49% by Gol
6.	Brief description of the project	<p>The Ministry of Textiles, Government of India State Government of Gujarat through PM MITRA Park Gujarat Limited (the "Authority"), a SPV jointly owned by the Government of India and the Government of Gujarat, has been incorporated for the implementation of the project. As part of this endeavour, PM MITRA Park Gujarat Limited intends to develop a greenfield Mega Textile and Apparel Park spanning 1142 acres in the state under the PM MITRA Parks Scheme of the Ministry of Textiles, Government of India through Public Private Partnership (the "PPP") on Design, Build, Finance, Operate and Transfer (the "DBFOT") basis. The Authority has decided to carry out the Bidding Process for selection of an entity as the Bidder to whom the Project may be awarded.</p> <p>The Project also envisages various related and allied infrastructure facilities including but not limited to preparation of detailed project report/Master Plan, development of core infrastructure such as Internal Road; Power Distribution Infrastructure; Water and Waste Water treatment facilities; Development of Plug & Play Infrastructure for Textiles Designers, Apparel Manufacturers, Accessories Manufacturers; Factory Sites; Incubation Centre, Support Infrastructure e.g. Common Processing Facility, Common Effluent Treatment Plant (CETP) with Zero Liquid Discharge (ZLD), Workers' Hostel & Housing, (Specially for women Worker), Health Facility,</p>

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10.	Concession Agreement	The PM MITRA Park is a unique initiative and will be implemented for the first time through the PPP/Master Developer model. Since no Model Concession Agreement (MCA) is currently available, DCA has been prepared based on the MCA of the Multi-Modal Logistics Park (MMLP).
11.	Bidding process	Single Stage two envelope
12.	Bidding parameter	Minimum Guaranteed Revenue Share

4. PSA informed that the Union Cabinet has approved the PM MITRA Park Scheme with a financial outlay of Rs. 4,445 crore over seven years (up to 2027–28). The scheme is inspired by the Hon'ble Prime Minister's 5F Vision—*Farm to Fibre to Factory to Fashion to Foreign*—and is a major step towards making India a global hub for textile manufacturing and exports.
5. The project aims to provide world-class industrial infrastructure with plug-and-play facilities for the entire textile value chain in one location. This integrated approach is expected to reduce logistics costs, improve competitiveness, achieve economies of scale, and create an international-quality ecosystem to support the industry. Each project is estimated to attract an investment of about Rs. 10,000 crore and generate around 1,00,000 direct jobs and 2,00,000 indirect jobs.
6. The Park at Uttar Pradesh is near Attari Village, ~15 km from Malihabad, and has direct access through MDR 74C, connecting Malihabad to the Sitapur Highway. Key connectivity features include Air: 45 km from Lucknow International Airport, Road: NH-30 (Lucknow–Sitapur) – 18 km; NH-731 (Lucknow–Hardoi) – 15 km and Rail: Malihabad railway station – 15 km; Itaunja railway station – 18 km. This strategic location ensures seamless regional and national connectivity for raw materials and finished goods.
7. The Park at Gujarat is well-connected through various transportation and logistics facilities. It is located at 0.05 km from SH-196 and 28 km from NH-48. Surat International Airport, which offers both domestic and international services, is situated 49 km away, while the Navsari–Maroli Railway Station is 19 km from the site. For maritime connectivity, the Surat–Hazira Port is 69 km away, with plans under the DMIC to develop it as a Mega Container Hub Port. The site is also 28 km from the Surat–Navsari Industrial Area (SNIA) node of DMIC and 43 km from Surat–Rajhans Transport

Nagar, where future planning for a multimodal logistics park is underway. Additionally, the site is 32 km from an ICD at Surat–Sachin and 65 km from a CFS at Surat–Hazira.

8. After the detailed presentation, the Chair asked the PPPAC members for their observations.
9. DoLA stated that they have no further comments to offer.
10. The observations raised by PD NITI Aayog and the responses therein by the PSA are given below:
 - i. **With respect to the prescribed Technical Capacity requirements, it was observed that bidders under Groups B and C are permitted to participate through a nominated developer or technical partner and, therefore, are not required to independently meet the prescribed technical capacity criteria. However, for Group A bidders, the existing framework provides for a detailed 70-mark technical evaluation matrix across multiple categories. It was noted that such a scoring-based framework may add complexity and could introduce subjectivity in evaluation. Accordingly, it was suggested that the technical capacity assessment for Group A bidders may be simplified and focused primarily on relevant project development and construction experience, while retaining adequate qualification safeguards. This would make the evaluation process more objective and encourage wider participation.**

Response: It was clarified that the intent of the current framework is to attract both established sector-specific developers and a wider pool of investors/developers who may participate with the support of experienced technical partners. Accordingly, while bidders under Groups B and C are not required to independently possess the prescribed technical experience, they are required to provide requisite support/comfort from suitably qualified technical partners.

It was further clarified that the detailed technical evaluation criteria were introduced to ensure reasonable comparability and parity among different categories of bidders, and to provide adequate comfort regarding the capability of bidders and their technical partners to undertake the project.

However, it was acknowledged that an overly detailed technical scoring mechanism may increase evaluation complexity and may introduce elements of subjectivity. The PSA agreed to examine the technical qualification framework, particularly the evaluation matrix applicable to Group A bidders, with a view to simplifying the same by placing greater emphasis on key parameters such as project development, construction experience and relevant operational experience. This would help maintain a level playing field, while ensuring a transparent, objective and efficient evaluation process and encouraging broader market participation.

- ii. **It was observed that while the eligibility criteria prescribe minimum project-size thresholds for project development and construction experience, no comparable threshold appears to have been specified for the business operating experience category. As a result, relatively small-scale operational experience may be assessed alongside substantially larger development or construction projects, which could create an imbalance in the technical evaluation framework. Accordingly, it was suggested that suitable minimum thresholds or equivalent qualifying criteria may be prescribed for the business operating experience category as well, so as to maintain parity across the eligible**

experience categories and ensure consistency, objectivity and fairness in the assessment of bidders' technical capacity.

Response: The suggestion was noted and accepted. It was agreed that the eligibility criteria across all categories of technical experience should be reviewed to ensure greater consistency and parity in qualification requirements. The SPV may consider prescribing appropriate thresholds or equivalent qualifying parameters for the business operating experience category so that the evaluation framework remains balanced, objective, and equitable across all eligible experience categories.

- iii. **With regard to Mid-Term assessment, it was observed that the existing requirements may require further strengthening. The current framework provides for extension upon achieving 60% occupancy of the planned construction, along with either cumulative investments of Rs.1,000 crore or employment generation of 25,000 persons.**

Response: The suggestion was noted and accepted. It was agreed that the applicable guidelines and trigger conditions would be reviewed and suitably revised to better align them with the intended outcomes of the PM MITRA Park. Accordingly, it was proposed that eligibility for extension of the concession period may be linked to completion of at least 80% of the planned construction, along with achievement of either cumulative investment of Rs. 2,500 crore in the PM MITRA Park or employment generation of 25,000 persons for extension of another 25 years of concession period.

- iv. **It was observed that the Concessionaire is required to determine the maximum permissible land price for Industrial allotment using the prescribed formula, despite DPR-based project cost estimates being available with the PSA. Since the PSA has visibility on the project cost and investment requirements, it was suggested that the maximum permissible land price for Industrial allotment may be determined upfront by the PSA and specified in the bid documents. This would provide clarity to bidders and avoid variations in cost estimates by the Concessionaire that may influence land price calculations.**

Response: It was clarified that the PSA shall determine and communicate the applicable maximum permissible land price for Industrial allotment to the selected Concessionaire after onboarding, in accordance with the prescribed formula. While the DPR provides an initial estimate of project costs, the Concessionaire is required to prepare a detailed development plan with project-specific cost estimates. Certain infrastructure components may vary in terms of design, capacity, technology and implementation cost, within the specifications prescribed under the RFP. Accordingly, apt flexibility is required to accommodate legitimate variations in development costs, while ensuring adherence to prescribed standards. The framework has therefore been structured to factor in such project-specific variations, with appropriate oversight by the PSA.

- v. **It was observed that the estimated cost of ZLD and CETP infrastructure is significantly higher in the Gujarat project, at approximately Rs. 945 crore, as compared to approximately Rs. 300 crore in the Uttar Pradesh project. Since termination payments are linked to project cost, it was suggested that the basis for these cost estimates may be clearly documented. It was further suggested that DCA may clearly specify the scope, capacity, performance parameters and technical specifications of key infrastructure components, including ZLD and CETP systems, to provide bidders with clarity on the facilities to be developed and the basis of estimated costs.**

Response: It was clarified that, for determining the cap for maximum permissible land price for Industrial allotment, only the prescribed core infrastructure components are considered. Regarding the variation in costs between the Gujarat and Uttar Pradesh projects, it was explained that the estimates are based on the anticipated industrial profile and corresponding effluent generation at each location. The Gujarat project, particularly in the Surat region, is expected to attract a larger number of textile processing and dyeing units, resulting in higher effluent generation and, therefore, a larger ZLD/CETP requirement. In contrast, the Uttar Pradesh project is expected to have a higher share of apparel and garment manufacturing units in the initial phases, which generally have lower effluent generation. Accordingly, the projected treatment capacity and associated infrastructure costs are substantially higher in Gujarat than in Uttar Pradesh. It was further noted that the suggestion regarding greater technical detailing, including capacity, performance parameters and specifications in the relevant schedules, may be examined to provide enhanced clarity to bidders.

- vi. **It was observed that the projected revenue profile indicates significant cash flow realisation from industrial and commercial land monetisation during the earlier years of the concession period. The Master Developer may monetise a substantial portion of the plots through upfront allotments or long-term sub-leases, thereby realising significant project revenues in the initial years. In this context, clarity was sought on the safeguards built into the concession framework to ensure the Concessionaire's continued engagement in the development, operation and maintenance of the Parks over the full concession period. It was further suggested that suitable provisions may be incorporated to align revenue realisation with long-term operational responsibilities and to ensure availability of adequate funds for operation, maintenance, replacement and renewal of infrastructure throughout the concession period.**

Response: It was clarified that the Concessionaire would continue to remain responsible for development, operation and maintenance of the Parks, and for compliance with the concession obligations throughout the concession period. It was further clarified that the project structure includes safeguards through the escrow mechanism. The Master Developer is not permitted to freely withdraw all proceeds from plot allotments, leases or other project revenues. Such receipts are required to be routed through the designated escrow accounts and shall be subject to the fund-flow and withdrawal provisions specified in the Concession Agreement.

It was also clarified that a portion of project revenues is required to be retained for long-term operation and maintenance obligations, including through dedicated O&M reserve mechanisms under the project structure. The escrow framework would ensure that funds earmarked for future operation, maintenance, replacement and renewal of infrastructure remain protected and available for the intended purposes. In addition to above, it was also clarified that the permission to monetise the commercial land is linked with the Completion of the % of construction of Core Infrastructure, Allotment of industrial area to textile units and Cumulative Investment & Employment generation.

- vii. **It was observed that the termination payment framework may require greater clarity, particularly in relation to the calculation of compensation based on the Net Book Value of assets in the Industrial Area and Commercial Area. It was noted that the existing formulation may not clearly distinguish between core project infrastructure and commercial development assets, which could lead to inconsistencies in risk allocation and compensation obligations. Clarification was also sought on the treatment of commercial area development costs and the basis for determining Net Book Value. Accordingly, it was suggested that the termination payment provisions may be refined to ensure a balanced**

compensation mechanism and to avoid unintended overcompensation in termination scenarios.

Response: The suggestion was noted and accepted. It was agreed that the termination payment provisions may be revised to provide greater clarity and consistency in the treatment of Industrial Area and Commercial Area assets.

Accordingly, for the purpose of calculating termination payments, compensation in respect of Industrial Area assets shall be linked to the Net Book Value of eligible assets developed by the Concessionaire, subject to a cap based on the Adjusted Total Project Cost, excluding the cost attributable to development of the Commercial Area. The applicable percentage of Net Book Value payable under different termination scenarios, including Concessionaire Default, Authority Default, Political Force Majeure, Indirect Political Events and Non-Political Events, shall be reviewed and finalised appropriately.

It was further clarified that the termination payment shall be reduced by the amounts transferred from Escrow Account-1 to Escrow Account-2 up to the date of termination, and by insurance claim proceeds actually received by the Concessionaire. The Net Book Value of assets shall be determined as on the effective date of termination, so that compensation reflects the depreciated value of eligible assets at the time of termination.

- viii. **It was observed that the existing provision permits the Master Developer to modify the Master Plan without specifying limits on deviations. It was noted that unrestricted flexibility may alter the intended character and development objectives of the PM MITRA Park, particularly if land-use allocation shifts significantly towards more commercially attractive uses. Accordingly, it was suggested that while the Master Developer may be given reasonable flexibility to optimise the development plan based on market requirements, suitable safeguards may be incorporated to preserve the core planning framework and ensure balanced development.**

Response: The suggestion was noted and accepted. It was agreed that the guiding principles of the Master Plan would be clearly defined to ensure development of all key components. While the Master Developer may be permitted to optimise the Master Plan in response to market requirements and evolving development needs, such modifications shall be subject to appropriate safeguards. Accordingly, changes in land allocation within each zone may be permitted only up to a maximum of 20% of the area originally allocated under the Master Plan. Further, irrespective of any modification, the total commercial area shall not exceed 10% of the total project area, thereby ensuring that the primary focus of the PM MITRA Park remains on industrial development and textile sector growth.

- ix. **It was noted that Schedule B does not presently provide detailed technical specifications and performance requirements for key infrastructure components such as the CETP, ZLD system and other common utilities. Given the significant capital investment involved, and their relevance for project costs, operational obligations and termination payments, it was suggested that the DCA may clearly define the scope, design parameters, capacities and performance standards of such infrastructure. In particular, clarity was sought on the inlet and outlet effluent characteristics, treatment standards and design criteria applicable to the CETP and ZLD facilities.**

Response: The suggestion was noted and accepted. It was clarified that detailed specifications, design criteria and technical requirements for CETP, ZLD facilities and other common infrastructure have already been developed as part of the DPR. To provide greater clarity and certainty to bidders, it was agreed that the relevant specifications shall be incorporated in Schedule B of the Concession Agreement. These specifications shall include, inter alia, design parameters of CETP and ZLD systems, inlet and outlet effluent characteristics, treatment capacities, discharge standards and other key technical and performance requirements.

- x. **It was observed that the existing mechanism for regulating Industrial Area O&M charges relies on annual audits and comparison with rates charged for similar services. Such a framework may give rise to interpretation issues and post-facto disputes, particularly in identifying comparable services and determining permissible charges. Accordingly, it was suggested that a more transparent and efficient mechanism may be adopted, whereby user charges are periodically disclosed to the Authority and made publicly available, enabling proactive oversight and reducing reliance on extensive audit-based intervention.**

Response: It was clarified that, the Concessionaire shall submit the latest user charges to the authority annually or as and when they are proposed to be revised by the concessionaire. These details shall also be published on website. Authority may review the Industrial Area O&M charges payable by Industrial User. The final charges shall be mutually finalized by Authority and Master Developer. If parties are unable to agree on the quantum of such revision, the case will be referred to Independent Expert, whose decision shall be final and binding.

11. The observations raised by **Director, Department of Expenditure** and the responses therein by the PSA are given below

- i. **It was noted that one provision of the RFP stipulates that the price for allotment/sub-lease of Industrial Area plots shall not exceed the maximum permissible land price, while another provision appears to provide that the price for categories other than commercial land may be capped at 1.5 times the maximum permissible land price. Clarification was sought on whether there is any inconsistency between these provisions and on the applicability of the respective pricing caps to different land-use categories.**

Response: It was clarified that the provision relating to the cap of 1.5 times the maximum permissible land price is applicable to residential land and not to industrial plots. The pricing framework for allotment/sub-lease of industrial land shall continue to be governed by the prescribed maximum permissible land price. It was further clarified that the applicable land-pricing caps and methodology have been defined through the prescribed formula and shall be implemented in accordance with the provisions of the Concession Agreement and applicable only on industrial land.

- ii. **It was observed that the DCA requires the Concessionaire to submit specified reports for Mid-Term assessment one month prior to the 25th anniversary of the concession. It was further noted that, if milestones provided in the Mid-Term assessment are not achieved, the Concessionaire is proposed to be granted an additional period of 30 months for compliance.**

Response: It was agreed that the relevant provisions would be reviewed and suitably revised.

12. The observations raised by **Joint Secretary (IFS)** and the responses therein by the PSA are given below:

- i. **It was observed that if the technical qualification requirements are proposed to be simplified to encourage wider participation, the financial eligibility criteria may need to be correspondingly strengthened to maintain an appropriate balance between technical and financial capacity. It was also noted that the selected developer would be required to maintain a minimum equity commitment in the project SPV. Accordingly, it was suggested that the minimum financial capacity/net worth requirements may be suitably enhanced to ensure participation by serious and financially capable bidders.**

Response: It was clarified that the financial eligibility requirements would be reviewed appropriately. Given the profile of investors and developers proposed to be targeted under the bidding framework, a reasonable enhancement of the financial qualification requirements is not expected to significantly restrict competition or reduce bidder participation. It was further clarified that such enhancement would help ensure participation by financially strong and credible entities, while maintaining adequate market interest. Accordingly, it was agreed that the financial eligibility criteria may be suitably calibrated to maintain an appropriate balance between technical and financial qualifications without adversely affecting bidder participation.

- ii. **It was observed that the minimum equity retention requirements applicable to the selected bidder and consortium members, whose technical and financial capacities are considered during bid evaluation, prescribe minimum shareholding percentages during the construction period and for five years thereafter. However, the existing provisions do not prescribe any minimum equity commitment in absolute value terms linked to the project size. It was suggested that, in addition to the existing shareholding thresholds, a minimum equity contribution linked to the Total Project Cost may be incorporated to ensure sustained financial commitment from key project sponsors and alignment of interests during the critical implementation period.**

Response: The suggestion was noted and accepted. It was agreed that the equity retention provisions may be strengthened by incorporating a minimum equity commitment requirement, in addition to the existing shareholding thresholds. Accordingly, while the selected bidder/consortium members, together with their associates, shall continue to hold not less than 51% of the issued and paid-up equity during the construction period and for five years thereafter, and each consortium member whose technical and financial capacity was evaluated shall continue to hold not less than 26% of such equity during the same period, it is proposed that the equity contribution of such members shall also not be less than 5% of the Total Project Cost. The exact wording and formulation of the provision shall be aligned with the relevant provisions of the Concession Agreement.

- iii. **It was observed that clarity is required on the treatment of CETP and ZLD infrastructure costs under the maximum permissible land price framework for Industrial allotment. Since the O&M costs of these facilities are proposed to be recovered through user charges from beneficiary industrial units, clarification was sought on whether such charges also cover the capital cost of these facilities, or whether the capital cost forms part of the infrastructure cost considered for determining permissible land/lease pricing.**

Response: It was clarified that up to 20 MLD of CETP capacity will be considered as part of the common infrastructure cost and CAPEX for the same shall be recovered as

part of the land lease cost. The remaining CETP capacity and the ZLD infrastructure may be recovered separately through capital contribution from the beneficiary units. Such capital contribution may be collected either as a one-time payment or over time through user charges. Accordingly, while a portion of the capital investment will be treated as part of the overall project cost, the balance capital cost will be recovered directly from the users through the specified contribution mechanism. Recurring Operation and maintenance costs for the entire CETP and ZLD are intended to be recovered through user charges.

- iv. **It was noted that the project structure provides for two separate escrow accounts. Clarification was sought on the rationale for maintaining two accounts and the specific purpose served by each. It was also requested that the flow of funds and safeguards under the escrow mechanism be explained, particularly in relation to project revenues, grants, financing proceeds and long-term maintenance obligations.**

Response: It was clarified that the two-escrow-account structure has been designed to ensure transparency in fund flows, ring-fencing of funds for specific project purposes, and protection of stakeholder interests.

Escrow Account-1 shall be maintained jointly by the Concessionaire, the Authority, the Lenders' Representative and the Escrow Bank. It shall comprise three sub-accounts, namely the Grant Sub-Account, the Industrial Area Collection Sub-Account and the Commercial Area Collection Sub-Account. Project revenues, grants and collections from industrial and commercial land allotments/leases shall be deposited in the respective sub-accounts. This would enable clear tracking of project-related receipts and ensure distribution of funds in accordance with the concession framework.

Escrow Account-2 shall be maintained by the Concessionaire, the Lenders' Representative and the Escrow Bank. It shall receive financing proceeds, debt drawdowns and insurance claim proceeds. During the construction period, revenue-share payments due to the Authority shall first be discharged from Escrow Account-1, after which eligible amounts, not exceeding the capital expenditure incurred during the preceding quarter, may be transferred to Escrow Account-2 to support project development. It was further clarified that, upon completion of construction, an amount equivalent to 10% of the Total Project Cost shall be retained as the PM MITRA O&M Fund. This dedicated fund shall be utilised for major maintenance, replacement and renewal of common infrastructure assets during the concession period, thereby ensuring long-term upkeep and sustainability of project infrastructure.

13. The observations made by the **Chair** and the responses therein by the PSA is given below:
- i. **Clarification was sought on the number of industrial units expected to be established within the proposed Parks**

Response: It was clarified that the proposed Parks have been planned to accommodate a diverse mix of manufacturing and processing enterprises. Based on the current planning assumptions and land-use allocation, the Park is expected to house approximately 500 industrial units, comprising both small and large units, upon full development.

- ii. **Have there been any interactions with prospective investors and industry participants regarding the proposed parks? What has been the response from the market, and are there any indications of investment interest from leading companies?**

Response: It was informed that stakeholder consultations and investor outreach activities have been undertaken as part of the project development process. A dedicated roadshow was also organised to engage with potential investors, industry associations and prospective occupiers, assess market interest and obtain feedback on the proposed development.

- iii. **It was observed that the inclusion of Group C bidders requires further consideration, particularly in view of the financial eligibility thresholds proposed for a project of this scale and complexity. It was further noted that entities under Groups B and C may not have direct technical experience in textile parks, industrial parks, PPP projects or infrastructure development, and would therefore be required to associate with suitably qualified technical partners. Accordingly, strong minimum financial capacity requirements needed to ensure participation by entities having adequate financial strength and long-term investment capability.**

Response: It was clarified that the inclusion of Groups B and C is intended to broaden the potential bidder base and attract institutional investors with strong financial capacity. Group B includes banks and NBFCs, while Group C includes entities such as AIFs, Asset Management Companies and other financial investors. While such entities may not have direct experience in textile parks, industrial infrastructure or PPP projects, they are expected to bring significant financial resources and investment capacity. The framework enables such investors to participate by partnering with qualified technical developers, thereby combining financial strength with technical expertise. It was further clarified that restricting eligibility only to entities with prior park development experience could limit competition and narrow the bidder pool. The inclusion of Groups B and C is therefore aimed at enhancing competition, attracting long-term capital and widening market participation, while ensuring that requisite technical expertise is available through appropriate technical partnerships.

- iv. **It was noted that the preferred bidder is proposed to be selected on the basis of the highest Minimum Guaranteed Revenue (MGR) quoted on an XNPV basis. In this context, clarification was sought on the rationale for adopting a discount rate of 9% for computing the XNPV of the quoted revenue streams.**

Response: It was clarified that the discount rate of 9% adopted for XNPV calculations is based on the project's Weighted Average Cost of Capital (WACC). The WACC represents the blended cost of debt and equity financing and has been used as the benchmark rate for discounting future revenue streams to their present value for bid evaluation purposes.

- v. **It was noted that the bid parameter is generally limited to the revenue share offered by the bidder to the Authority. In the present case, however, bidders are also required to submit detailed revenue projections and supporting calculations along with the quoted revenue share. In this context, clarification was sought on the rationale for requiring such detailed projections in addition to the bid parameter.**

Response: It was clarified that the requirement for detailed revenue projections and supporting assumptions have been included to ensure that bids are based on realistic

and credible business plans. In the absence of such disclosures, there is a possibility of bidders quoting inflated revenue commitments based on overly optimistic long-term projections. It was further clarified that the proposed approach would enable the Authority to assess the reasonableness of the bidder's projections and underlying assumptions. Since revenue share payments are linked to actual gross revenue, the Authority would also benefit if actual project revenues exceed the projected levels, resulting in higher revenue share payments over the concession period.

- vi. **It was observed that the current development milestone requirements may not adequately incentivise timely and substantial investment by the Concessionaire. If the prescribed investment or development thresholds are relatively modest in comparison to the overall project potential, bidders may limit their commitments to the minimum required levels rather than pursuing the full development vision of the project. Accordingly, it was suggested that the concession framework may be structured to encourage accelerated development and higher investment commitments, while ensuring that bidders undertaking greater development obligations are appropriately incentivised.**

Response: It was clarified that the relevant development milestones and associated triggers have been derived from the provisions contained in the Cabinet Note. The project framework already incorporates incentives to encourage faster development and investment, including provisions linked to unlocking of commercial land parcels and phased release of financial support from the MoT. It was further clarified that these incentives are intended to encourage the Concessionaire to achieve the prescribed development milestones much earlier than the outer timelines contemplated in the concession framework. The milestone under discussion is relevant for determining eligibility for extension of the concession period and is not the sole driver of project development. Multiple financial and commercial incentives have been embedded in the project structure to support accelerated implementation and achievement of the broader development objectives of the project.

- vii. **It was emphasised that the Parks should function as vibrant textile ecosystem focused on manufacturing, value addition, innovation and employment generation, in line with the broader vision of the textile value chain. It was further noted that meeting land development targets alone, without commensurate establishment of textile units and industrial activity, may dilute the intended objective of the project. Accordingly, it was suggested that the concession framework and performance milestones may be structured by working backwards from the desired outcomes, with greater emphasis on park occupancy, industrial investment, manufacturing activity and employment generation.**

Response: It was noted that the existing milestone and extension-related provisions have been framed in line with the applicable approval framework and are presently linked to the extension of the concession period beyond the initial term. At the same time, it was recognised that the observations regarding outcome-based development, industrial occupancy, textile manufacturing activity and employment generation are consistent with the broader objectives of the PM MITRA Park. Accordingly, it was agreed that the relevant provisions may be reviewed and suitably refined, wherever required, to better align the concession framework with the intended developmental outcomes of the project.

- viii. **It was noted that the project documents use the term “monetisation” in relation to development milestones. In this context, it was requested to clarify whether monetisation refers to allotment/sub-lease of industrial and commercial land parcels to end-users and industrial units within the project area.**

Response: It was clarified that, in the context of the project, monetisation refers to allotment and/or leasing of industrial and commercial land parcels to eligible industrial units, commercial establishments and other approved end-users, in accordance with the project framework. Accordingly, the monetisation milestones are linked to the extent of land parcels allotted or leased for productive industrial and commercial use within the project area.

- ix. **It was observed that the proposed concession period extends up to 50 years, and clarification was sought on whether such tenure is necessary, particularly when a significant portion of project development and associated cash flows are expected to materialise during the initial years of the concession. Clarification was also sought on the extent to which long-term revenue streams justify the proposed concession tenure.**

Response: It was clarified that the financial model envisages a substantial portion of revenues to accrue through recurring annual lease rentals, sub-lease charges, utility-related revenues and other long-term income streams, rather than solely through upfront land monetisation. The project structure assumes that the developer would continue to derive value from retaining and leasing land parcels over an extended period, particularly as land values are expected to appreciate over time. It was further clarified that the revenue profile remains significant over the concession period. Accordingly, the extended concession period is intended to align with the long-term commercial model of the projects and sustain developer interest beyond the initial development phase.

14. After detailed deliberations, the PPPAC examined the Bid Documents for the two PM MITRA Park projects, namely Lucknow, Uttar Pradesh and Navsari, Gujarat, submitted by the Ministry of Textiles for implementation under PPP mode with the above-mentioned observations.
15. The meeting ended with vote of thanks to the Chair.

List of the attendees of the 147th meeting of the PPPAC for considering PM MITRA project proposals by Ministry of Textile.

a. Department of Economic Affairs

1. Ms. Anuradha Thakur, Secretary
2. Ms. Laya Madduri JS (IFS)
3. Shri. Rahul Singh, Director (PIU)
4. Shri. Anurag Gautam, Assistant Director (PIU)
5. Shri. Rajender Singh, Section Officer
6. Shri. Abhinay Gaikwad, YP

b. Department of Expenditure

1. Shri. Debapriya Bardhan, Director

c. NITI Aayog

1. Shri. Partha Sarathi Reddy, Program Director

d. Department of Legal Affairs

1. Shri. Satish Kumar Singh, Assistant Legal Adviser

e. Ministry of Textiles

1. Ms. Arti Kanwar, Additional Secretary

f. NICDC

1. Shri. Rajat Kumar Saini, IAS, CEO & MD-NICDC
2. Shri. Vinay Mishra, GM

g. PM Mitra - Gujarat

1. Shri. Swaroop P, IAS - Industries Commissioner, Government of Gujarat
2. Shri. H R Menat, Chief Engineer – GIDC
3. Shri. Sanchit Saraf, Associate Partner, KPMG
4. Shri. Deepak Goyal, Associate Director, KPMG
5. Shri. Pratik Doctor, Manager, KPMG
6. Shri. Nayan Deshmukh, Assistant Manager, KPMG
7. Shri. Shyamdatt Upadhyay, Indextb Delhi
8. Shri. Devender Singh, SE Vapi, GIDC

h. PM Mitra Lucknow

1. Anil Kumar Sagar IAS, Principal Secretary, Govt. of UP
2. Navreet Singh Beling
3. Skand Pratap Singh
4. Mohd Fahad Shahab