

Scheme Guidelines for Pilot Phase of Textile Industry Workers' Hostel

1. Background

- 1.1 The Indian textile industry contributes to 14% of industrial production, 4% of country's GDP, 17% of export earnings. It is the second largest provider of employment, after agriculture, and provides direct employment to over 35 million people. The current size of the industry at US \$80 billion, with substantial export earnings growth in the recent years, is expected to reach US\$ 221 billion by 2021.
- 1.2 One of the constraints faced by the Industry has been the shortage and high attrition of manpower. The primary reason for this, apart from relative low wages, is lack of decent accommodation for the workers at or near the work places.
- 1.3 Ministry of Textiles has been assisting the industry in setting up of green field textile parks under SITP with global quality infrastructure for competitiveness enhancement. Similar parks have been set up by the Ministry under various other schemes, and by the State Governments through Industrial Infrastructure Development Corporations. These parks, as manufacturing hubs, have enabled creation of economies of scale and generated large number of jobs
- 1.4 Availability of workers' hostel which provides decent accommodation in the Parks is expected to help the industry in attracting and retaining the work force. The experience of several countries, particularly China, has shown that the availability of large scale accommodation facilities for the workers in the manufacturing clusters has enabled the industry in improving their productivity and competitiveness. It is in this context this Scheme is being launched

2. Objectives of the Scheme

The objectives of the Scheme are as follows:

- provide a safe and secured accommodation for the workforce
- ensure better retention of the work force by way of decent accommodation in/vicinity of the textile parks, thereby improving the productivity

The Scheme target is to create workers' hostel for approximately 3,750 workers during the balance 12th Five Year Plan period.

3. Project

The Project aims to establish workers' hostel for the workers of textile industry with the support of Ministry in /in the vicinity (with in 5 kms radius of the park) through grant assistance from MoT.

- 3.1 **Project Components:** The eligible components of the project include the following:

- a. Buildings for workers comprising of dormitories for a minimum of 250 workers (150 workers for NE & J&K) and maximum for 1000 persons with built up area @125 sqft/capita. A dormitory can house a maximum of six persons.
 - b. Common Facilities like kitchen, dining hall, store, recreation rooms, sports infrastructure, visitor's room, etc.
 - c. External Infrastructure including water supply, power supply, generator etc.
 - d. Furniture and Fixtures including room furniture/furnishing/kitchen hardware etc. not exceeding 30% of the cost of Buildings as given under point (a) and (b) above
 - e. Project Cost under this Scheme shall be the total cost of the components from (a) to (d) above.
- a. **Standards:** The Workers' Hostel shall follow the minimum standards in terms of living space per worker, toilet facilities, water supply and common rooms, as prescribed under National Building Code. The design of the hostel shall comply with the local development control rules and applicable planning regulations with regards to, allowable built up area, height, coverage, etc. The indicative area requirements/standards for the above mentioned components are listed below.

Area Requirements/ Standards

S. No	Area	Area Requirement/ Standard adopted
1	Entrance Lobby	
2	Visitors Waiting Area	6 – 7 Sq.mt for every 100 Persons
3	Administration/ Office Area with attached toilet	4 – 5 Sq.mt for every 100 Persons
4	Warden Room with attached toilet	1 Warden per 200 persons
5	Common/ Recreation/ Indoor sports room	1 Sq.mt for every 10 persons
6	General Store room	5 – 6 Sq.mt for every 100 Persons
7	Dining Area for at least 1/3 rd of the total numbers of inmates	Capacity to accommodate at least 1/3 rd of the total number of inmates at a stretch and @ 1.3 Sq.mt per person
8	Kitchen with Store room	30 % of the total area of the Dining Space or @ 0.15 Sq.mt per person, whichever is greater
9	Hostel Room- (6-8 Beds per room)	At least 3.5 Sq.mt per Person
10	Common Toilets	1 WC for every 6 persons and 1 bath

		for every 5 persons
11	Supervisors/ Visitors room with attached toilet	9 Sq.mt per room

4. Project Implementing Agencies (PIAs)

The following organizations will be eligible to submit proposals under the Scheme and will function as PIA's:

- i. The SPV's set up under SITP where a minimum of 25% units are operational and where the approved DPR of the ITP does not include components provided under this scheme.
- ii. The SPVs promoted under the other schemes Ministry of Textiles viz., TCIDS, APES, etc.
- iii. State Industrial Development Corporations.
- iv. SPV's of Textile Parks promoted by State governments/UTs.
- v. Developers of SEZs.
- vi. Industry Associations or groups of Entrepreneurs.

It is to be noted that the proposed hostel facility shall be utilized for textile industry workers only, and the accommodation in these hostels shall be provided to the workers or their companies on rental/lease basis

4.1 **Role of the IA:**

The role of the IAs, shall comprise but not limited to the following:

- Conceptualize, formulate and prepare the Detailed Project Report
- Provide/procure land for the hostel
- Obtain all the necessary statutory approvals to the project
- Allot rooms to the workers/member units of the park.
- Maintenance of the hostel facility and support infrastructure through lease rentals/user charges.
- Appoint contractors/consultants in a fair and transparent manner.
- Provide Utilisation Certificate for the grant utilised

IA shall enter into an agreement with the Ministry to ensure that the hostel facility built under the proposed scheme is used for providing accommodation to textile workers only.

5. Grant Assistance and Release of Grant

5.1 The grant from Ministry of Textiles will be limited to 50% of the project cost per project subject to a ceiling of Rs. 3 Crore for each workers' hostel with built up area @ 125 sq ft per capita. The PIA can built hostels for a maximum of 1000 workers. The cost of Land shall not be considered in the project cost. Land for hostels shall be contributed by the IA.

5.2 Release of MoT assistance

The grant is released by the Ministry in three equal installments, after the project is approved by PAC. The release of grant is as follows:

1st Installment: 1/3rd of the total grant shall be released by the ministry upon fulfillment of following conditions

- Land in possession of the IA
- Availability of all statutory clearances necessary for commencement of the project
- Appraisal of the DPR and recommendation by the PMC
- Approval by Project Approval Committee (PAC)

2nd Installment: 1/3rd of the total grant after Utilization Certificate (UC) of the 1st Installment and after the proportionate expenditure (i.e. 1/3rd of the total SPV share from all sources) has been incurred by the SPV. Utilization Certificate (UC) of the 1st installment shall be submitted by the IA at the time of making claim for the 2nd installment.

3rd & Final Installment: 1/3rd of the grant share will be released upon completion of the project and 60% occupancy in the Workers' Hostel. The IA shall submit the utilization of the 2nd installment of grant and CA certificate evidencing its entire contribution for the project cost at the time of making claim for the 3rd installment.

6. Approval and Monitoring

6.1 Project Management Consultants

The empanelled PMCs of all the projects covered under Para 4 will function as, PMCs for this Scheme. PMCs for existing ITPs under the MoT scheme will be paid fee equivalent to the fee amount currently in force for PMC services under the projects already sanctioned. The fee shall be released as per the following schedule

<u>Fee Amount</u>	<u>Payment Milestone</u>
33% of Professional Fee	On approval of DPR and release of 1 st instalment
33% of Professional Fee	On release of 2 nd instalment
34% of Professional Fee	After the submission of completion certificate by IA to the ministry's satisfaction

6.1.1 Role of the Project Management Consultant

The PMC shall be responsible for:

- Conceptualization and preparation of Detailed Project Report
- Assist the IAs in achieving financial closure, if necessary
- Assist the IAs in obtaining the necessary approvals and clearances
- Carry out Technical & Financial appraisal of the proposal/DPR
- Periodical monitoring of the progress of the projects
- Ensuring timely completion of project(s) as determined by the Ministry
- Assist the Ministry in developing appropriate agreements with the IAs

The PMC shall not be permitted to enter into any agreement with the IAs for provision of any services related to the implementation of the project that would create a conflict of interest

6.1.2 Role of State Government

The role of the State Government is envisaged in the following areas:

- Providing all the requisite clearances, wherever needed, for setting up the hostel
- Providing the necessary assistance for power, water and other utilities to the hostel.
- Other facilitating support

6.2 Approval Process

Ministry of Textiles shall constitute a Project Scrutiny Committee (PSC) for appraising the project and a Project Approval Committee (PAC) for approving the project.

Project Scrutiny Committee (PSC): The project proposals submitted by the SPV through PMCs shall be evaluated by the Project Scrutiny Committee (PSC) headed by JS (SITP), Ministry of Textiles and comprising of:

- Advisor (Industry), Planning Commission or his representative
- Joint Secretary (PF-II), Department of Expenditure or his nominee
- Joint Secretary (Infrastructure), Department of Commerce or his nominee
- Joint Secretary (IIUS), Department of Industrial Policy & Promotion or his nominee
- Textile Commissioner, Mumbai
- Economic Advisor, Ministry of Textiles
- Director, IFW, Ministry of Textiles
- Director (SITP), Ministry of Textiles – Member Secretary

The PSC shall recommend the list of eligible projects in the order of merit to the PAC for its consideration and approval.

Project Approval Committee (PAC): Subsequent to the PSC recommendation, a Project Approval Committee headed by Secretary (Textiles), AS&FA and JS, Ministry of Textiles in charge of SITP as members, shall consider and approve the project projects in accordance with laid down technical criteria and budget availability.

The PAC is empowered to put in place detailed operating procedures and supplementary rules for implementation of the scheme guidelines

Project Implementation Period

The implementation period for completion of the Project shall be 12 months from the date of release of first installment of grant.

7. Assets

The assets built/acquired by the IA through the grant assistance of MoT shall not be disposed or utilized for the purposes other than for which the funds have been released.

8. O & M Framework

The IA shall fix appropriate rentals from the occupant workers or their employers and user charges for the services provided to fully recover the O&M cost and make the project sustainable.