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**STANDING COMMITTEE ON
CHEMICALS & FERTILIZERS**

(2022-23)

(SEVENTEENTH LOK SABHA)

**MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF CHEMICALS & PETROCHEMICALS)**

DEMANDS FOR GRANTS

(2023-24)

FORTY-FIRST REPORT



LOK SABHA SECRETARIAT

NEW DELHI

March, 2023/ Phalguna, 1944 (Saka)

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**MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF CHEMICALS AND PETROCHEMICALS)**

**DEMANDS FOR GRANTS
(2023-24)**

Presented to Lok Sabha on 21 March, 2023

Laid in Rajya Sabha on 21 March, 2023



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2023/ Phalguna, 1944 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2022-23)**

Dr. Shashi Tharoor- Chairperson

MEMBERS

LOK SABHA

2. Shri Dibyendu Adhikari
3. Maulana Badruddin Ajmal
4. Shri C.N. Annadurai
5. Shri Deepak Bajj
6. Shri Ramakant Bhargava
7. Shri Prataprao Patil Chikhalikar
8. Shri Rajeshbhai Naranbhai Chudasama
9. Dr. Sanjay Jaiswal
10. Shri Ramesh Chandappa Jigajinagi
11. Shri Kripanath Mallah
12. Shri Satyadev Pachauri
13. Smt. Aparupa Poddar
14. Shri Arun Kumar Sagar
15. Shri Muniyan Selvaraj
16. Dr. Sanjeev Kumar Singari
17. Shri Atul Kumar Singh
18. Shri Pradeep Kumar Singh
19. Shri Uday Pratap Singh
20. Shri Indra Hang Subba
21. Shri Parbhubhai Nagarbhai Vasava

RAJYA SABHA

22. Shri G.C.Chandrashekhar
23. Dr. Anil Jain
24. Shri Arun Singh
25. Shri Ram Nath Thakur*
26. Shri Vijay Pal Singh Tomar
27. Vacant
28. Vacant
29. Vacant
30. Vacant
31. Vacant

SECRETARIAT

- | | | |
|---------------------------|---|---------------------|
| 1. Shri Vinay Kumar Mohan | - | Joint Secretary |
| 2. Shri Nabin Kumar Jha | - | Director |
| 3. Smt. Geeta Parmar | - | Additional Director |
| 4. Shri Kulvinder Singh | - | Deputy Secretary |

* Nominated w.e.f. 13.02.2023 vide Lok Sabha Bulletin Part-II, Para No. 6251 dated 14.02.2023

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals & Fertilizers (2022-23) having been authorized by the Committee do present on their behalf this Forty-First Report (Seventeenth Lok Sabha) on 'Demands for Grants (2023-24)' pertaining to the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers.

2. The Committee considered the Demands for Grants (2023-24) pertaining to the Department of Chemicals and Petrochemicals for the Financial Year 2023-24 which were laid on the Table of the House on 10th February, 2023. Thereafter, the Committee took evidence of the representatives of the Department of Chemicals and Petrochemicals on 14th February, 2023. The Committee considered and adopted the Report at their sitting held on 20th March, 2023.

3. The Committee wish to express their thanks to the Officers of the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers for tendering evidence and placing before the Committee all the requisite information sought for in connection with the examination of the subject.

4. The Committee also place on record their appreciation for the valuable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

5. For ease of reference and convenience, the Observations/ Recommendations of the Committee have been printed in bold letters in the body of the Report.

**New Delhi;
20 March, 2023
29 Phalguna 1944 (Saka)**

**DR. SHASHI THAROOR
Chairperson,
Standing Committee on
Chemicals & Fertilizers.**

ACRONYMS/ABBREVIATIONS OF THE TERMS USED IN THE REPORT

APDDR	Advanced Polymer Design & Development Research Laboratory
ARSTPS	Advanced Research School for Technology & Product Simulation
BGLD	Bhopal Gas Leak Disaster
C&PC	Chemicals & Petrochemicals
CIPET	Central Institute of Petrochemicals Engineering & Technology
CoE	Centres of Excellence
CPDS	Chemical Production and Development Scheme
CPSUs	Central Public Sector Undertakings
CSTS	Centre for skilling & Technical Support
DCPC	Department of Chemicals & Petrochemicals
DoE	Department of Expenditure
DoR	Department of Revenue
HIL	HIL (India) Ltd.
HOCL	Hindustan Organic Chemicals Limited
HFL	Hindustan Fluorocarbons Limited.
IPFT	Institute of Pesticides Formulation
LARPM	Laboratory for advanced Research in Polymeric Materials
LTC	Long Term Courses
MoF	Ministry of Finance
NSP	New Schemes of Petrochemicals
PCPIR	Petroleum Chemical & Petrochemical Investment Region
SSC	Scheme Steering Committee
STC	Short Term Courses
PWMC	Plastic Waste Management Centre

REPORT

PART- I

I. INTRODUCTORY

The Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals (DCPC)) aims to formulate and implement policy and programmes for achieving growth and development of the chemical and petrochemical sectors in the country and to foster the spirit of public-private partnership for overall development of this sector of the industry. The Department has the mandate to deal with the following broad subject matters:-

- (i) Insecticides (excluding the administration of the Insecticides Act, 1968 (46 of 1968));
- (ii) Dye-stuffs and Dye-Intermediates;
- (iii) All organic and inorganic chemicals, not specifically allotted to any other Ministry or Department;
- (iv) Planning, development and control of, and assistance to, all industries dealt with by the Department;
- (v) Bhopal Gas Leak Disaster-Special Laws relating thereto;
- (vi) Petrochemicals;
- (vii) Industries relating to production of non-cellulosic synthetic fibres (Nylon Polyesters, Acrylic etc.);
- (viii) Synthetic Rubber; and
- (ix) Plastics including fabrication of plastic and moulded goods.

2. The Department has five major divisions viz. Chemical, Petrochemical, Administration, Statistics & Monitoring (S&M) and Economic Division. The Integrated Finance Division is common to the three Departments in the Ministry of Chemicals and Fertilizers.

3. There are three Central Public Sector Undertakings (CPSUs) in the chemical sector namely Hindustan Organic Chemicals Ltd. (HOCL), HIL (India) Limited and Hindustan Fluorocarbons Limited (HFL), which is a subsidiary of HOCL. Two autonomous institutes, namely, the Central Institute of Petrochemicals

Engineering & Technology (CIPET) and the Institute of Pesticides Formulation Technology (IPFT) function under this Department.

4. The Department of Chemicals and Petrochemicals presented their detailed Demands for Grants (Demand No. 5) for the financial year 2023-24 to Parliament on 10 February, 2023. The Budget Estimate of the Department showing Revenue and Capital expenditure for the year 2023-24 is as under:-

(₹ in crore)

Expenditure Head	Budget Estimate
Revenue	172.55
Capital	00.90
Total	173.45

II. PROPOSED AND APPROVED FINANCIAL OUTLAYS OF THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (DCPC) FOR THE FINANCIAL YEAR 2023-24

5. The Committee desired to know the details with regard to the proposed amount for each scheme of the Department of Chemicals and Petrochemicals for the year 2023-24 and the amount actually approved by the Ministry of Finance (MoF). In response, the Department has furnished the detailed information in a tabular form as under :-

	Name of the Scheme	Projected BE 2023-24	Allocated BE 2023-24	Comments
I	Central Sector Schemes			
1.1	Other New Schemes of Petrochemicals	29.93	22.00 (Including CPDS)	The projected BE has been reduced by Ministry of Finance due to low pace
1.2	Chemical Promotion & Development Scheme (CPDS)	6.00	0.00 (CPDS merged with NSP)	
	Total	35.93	22.00	

II	Other Central Expenditure (Sectt/BGLD/ABs/PSUs)			of expenditure.
2.1	Secretariat/Economic Services	22.80	22.55	
2.2	Central Institute of Petrochemicals Engineering & Technology (CIPET)	106.20	92.88	
2.3	Institute of Pesticides Formulation Technology (IPFT)	12.62	12.62	
2.4	Hindustan Organic Chemicals Ltd.(HOCL)	0.00	0.00	
2.5	HIL (India) Ltd. (HIL)	0.00	0.00	
2.6	Hindustan Fluorocarbons Ltd (HFL)	0.00	0.00	
2.7	Bhopal Gas Leak Disaster (BGLD)	23.40	23.40	
	Total	165.02	151.45	
	Grand Total	200.95	173.45	

It may be seen from the above that the Department has been allocated an amount of Rs.173.45 crore against the projected outlay of Rs. 200.95 crore.

6. When asked about the reasons for this drastic reduction in the allocation of funds by the Ministry of Finance against the proposed allocation, the Department has stated that the projected BE has been reduced by the Ministry of Finance due to low pace of expenditure by the Department.

7. In this regard, the Committee desired to know as to how the Department has planned to accelerate its pace of expenditure to avoid reduction in the proposed allocation of funds in the future. The Department in a written reply has submitted that keeping in view the slow progress of expenditure in NSP schemes & CIPET for Plastic Parks, CoEs & CIPET centres, follow up with State

Governments is going on to expedite the process relating to establishment of different Plastic Parks, CoEs and CIPET centres.

8. On being asked about the various schemes/programmes which the Department would have to sacrifice/postpone in view of reduced allocation of funds to the tune of Rs. 173.45 crore, the Department has informed that PLI scheme for CPC has been approved by EGOS for Rs.5000 crore and therefore a provision of Rs.5.00 crore was made in BE 2023-24 with regard to PMA expenditure under existing scheme of the DCPC i.e. NSP. However, MoF did not allocate any funds for the PLI scheme. Further, with regard to CPDS, only an amount of Rs.3.00 crore has been allocated by MoF which has been merged with NSP scheme w.e.f. 01.04.2023. For CIPET, Rs.92.88 crore has been allocated against Rs. 106.20 crore due to huge unspent balance remaining in the account of CIPET. Also, in NSP, a reduced amount of Rs.22.00 crore (including CPDS fund of Rs.3.00 crore) has been allocated due to slow pace of expenditure by various Plastic Parks & CoEs under NSP scheme.

III. BUDGETARY ALLOCATION VIS-A-VIS UTILISATION DURING 2020-21, 2021-22 AND 2022-23

9. As regards the Budget Estimate (BE) & Revised Estimate (RE) for 2020-21, 2021-22 and 2022-23 in respect of the Department of Chemicals and Petrochemicals and the actual utilisation of funds thereof, the following information has been furnished to the Committee:—

(₹ in crore)

Year	BE	RE	Actual Expenditure
2020-21	218.34	295.70	293.04
2021-22	233.14	209.00	208.29
2022-23	209.00	150.68	132.76 (As on January, 2023)

10. The Committee have observed that BE, 2020-21 of Rs. 218.34 crore was revised upward to Rs. 295.70 crore at RE, 2020-21. However the funds were not fully utilised and actual expenditure remained to the tune of Rs. 293.04 crore. Asked to state the reasons for non-utilization of allocated funds to the tune of Rs. 2.76 crore during 2020-21, the Department has informed that non-utilization of Rs.2.76 crore during 2020-21 was because an amount of Rs.2.50 crore remained unutilised under the head Bhopal Gas Leak Disaster because of non-payment of Ex-gratia to victims of Bhopal Gas due to Covid pandemic and technical issues related to PFMS.

11. Further, BE, 2021-22 of Rs. 233.14 crore was revised downwards to Rs. 209.00 crore and expenditure remained Rs. 208.29 crore. In this regard, the Department has stated that the actual expenditure remained Rs.208.29 crore (99.66% w.r.t. RE 2021-22) as per PAO's statement dated 31.12.2022. Therefore, DCPC has made efforts to make the full utilization of funds allocated at RE Stage for FY 2021-22.

12. The Committee further asked about the reasons for downward revision of BE, 2022-23 of Rs. 209.00 crore to Rs. 150.68 crore at RE, 2022-23. In reply, the Department has stated that the allocation of funds at RE stage was revised downward mainly due to low utilization under NSP, CIPET & HFL. In NSP, an amount of Rs.7.92 crore has been reduced in RE due to the fact that most of the projects implemented under the NSP scheme are on the stage where funds can be released to them only after completion of certain milestones. CIPET has requested a reduced RE allocation during FY 2022-23 due to pendency of identification of land at Srinagar or Jammu for establishment of CIPET centre and no allocation of funds has been proposed for CIPET centre at Nashik & Bihta (Patna) due to slow response from respective State Governments. For HFL, all the liabilities have been settled and therefore allocated amount of Rs. 1.33 crore at BE stage has been reduced to NIL at RE stage.

IV. SCHEME-WISE ANALYSIS

E. New Scheme of Petrochemicals (NSP)

13. The Committee have been informed that the New Schemes of Petrochemicals (NSP) has three sub-schemes (i) Plastic Parks, (ii) Centres of Excellence (CoE) and (iii) Chemical Promotion & Development Scheme (CPDS) now renamed as "Petrochemicals Research & Innovation Commendation Scheme".

14. The budgetary provisions for the NSP during the last three years and 2023-24 are given as under:-

(₹ in crore)

Financial Year	Grants Proposed	Actual allocation		Actual Utilization
		B.E.	R.E.	
2020-21	60.86	53.79	22.85	22.85
2021-22	76.78	53.73	51.13	51.13
2022-23	102.27	48.50	29.00	24.22 (till 31 st December, 2022)
2023-24	29.93	22.00	---	----

(i) Sub Scheme: Scheme for Setting up of Plastic Parks

15. The Department is implementing first sub- scheme under NSP viz. "Scheme for Setting up of Plastic Parks" to support setting up need based Plastic Parks, with requisite state-of-the-art infrastructure, enabling common facilities through cluster development approach, to consolidate the capacities of the domestic downstream plastic processing industry. The scheme aims to increase investment, production and export in the plastics sector. Under the scheme, Government of India provides grant funding up to 50% of the project cost subject to a ceiling of Rs.40 crore per project. The Department till date has approved 10 Plastic Parks.

16. When asked to elaborate on the Scheme, it has been stated that the Scheme aims at developing and providing an ecosystem to the investors with required infrastructure which includes roads, water supply, drainage, electricity supply, effluent treatment plant, telecommunication lines, solid / hazardous waste management, incinerator, etc. along with buildings to support services like administrative buildings, crèche/ canteen /hostel/ rest and recreation facilities, facilities for labour, marketing support system, and equipment / machinery for common facilities for characterization, prototyping & virtualization, non-destructive material testing, incubation, training, warehousing, plastic recycling, tooling etc. Further, Government of India provides grant funding up to 50% of the project cost subject to a ceiling of Rs. 40.00 crore per project. The remaining contribution in the project is from the State Government or State Industrial Development Corporation or similar agencies of State Government, beneficiary industries and loan from financial Institutions.

17. When asked as to how far setting up of Plastic Parks has been able to consolidate the capacities of the domestic downstream plastic processing industry, the Department has stated that as the development of Plastic Parks is still under progress and only a few units are operational in these parks, the ability of the Plastic Parks to consolidate the capacities of the domestic downstream plastic processing industry cannot be assessed as of now.

18. When asked about the rationale behind fixing a ceiling of Rs. 40 crore per project, it has been clarified that the Department provides grants for development of physical infrastructure which includes facilities like roads, water supply, drainage, electricity supply including captive power plant, effluent treatment plant, telecommunication lines, solid / hazardous waste management, incinerator, etc. along with buildings to support services like administrative buildings, crèche /canteen /hostel/ rest and recreation facilities, facilities for labour, marketing support system etc. Since, the cost of the land is not included in the total project cost, the limit of Rs. 40.00 crore is found appropriate. Moreover, out of the 10 approved parks, only 4 parks have been granted the maximum grant of Rs. 40.00 crore and rest 6 parks, based on their total project cost have been allocated an approved grant which is 50% of the total project cost and is less than Rs. 40.00 crore. The upper limit has not been relaxed in any case.

19. The present status with regard to ten (10) Plastic Parks approved till date has been given as under.

S. No.	Plastic Park	Date of approval (DoA) of Plastic Park and target date of selling up of Plastic Park	Date when the Plastic park was set up	The approx no. of users of Plastic Parks since its inception	Present status of Plastic park	The date by which Plastic Park is likely to function	Reason for delay in setting up of Plastic Park	Project cost escalation due to time over run	Steps if any taken to expedite the setting up of Plastic Park
1.	Tamot, Madhya Pradesh	DoA: 09.10.2013 Target Date: Three Years from the date of final approval. i.e. 09.10.2016	September, 2020 (Date of completion of the physical infrastructure)	04	Total plots – 172 Total allotted- 16 Total operational- 04	March, 2026 (Date at which 100% units are expected to be functional)	Low interest from the investors & presence of other industrial areas near by	NIL	The SPV has taken various steps such as providing incentives, advertising the park at various platforms etc
2.	Paradeep, Odisha	DoA: 09.10.2013 Target Date: Three Years from the date of final approval. i.e. 09.10.2016	Around 95% of physical infrastructure was completed in December, 2020	00	Total plots – 80 Total allotted- 20 Total operational- 00	March, 2026 (Date at which 100% units are expected to be functional)	Low interest from the investors owing to various issues faced due to labour union etc.	NIL	The SPV has taken various steps such as providing incentives, advertising the park at various platforms etc
3.	Tinsukia, Assam	DoA: 21.02.2014 Target Date: Three Years from the date of final approval i.e. 21.02.2017	Around 80% of physical infrastructure has been completed till date	02	Total plots – 104 Total allotted - 44 Total operational- 02	March, 2026 (Date at which 100% units are expected to be functional)	Low interest from the investor due to the distant location of the project site from Guwahati.	NIL	The SPV has taken various steps such as providing incentives, advertising the park at various platforms etc.

4.	Thiruvallur, Tamil Nadu	DoA: 30.07.2019 (re-approval) Target Date: Three Years from the date of final approval i.e. 30.07.2022	Around 60% of physical infrastructure has been completed till Jan, 2022. The development is at stand still due to ban imposed by the Hon'ble NGT.	00	Total plots – 65 Total allotted – 01 Total operational-00	March, 2026 (Date at which 100% units are expected to be functional)	Ban imposed on development of the park site by the Hon'ble NGT since Jan, 2022	NIL	The SPV has appealed against the ban in the Hon'ble Supreme Court. It has taken various steps such as providing incentives, advertising the park at various platforms etc.
5.	Bilaua, Madhya Pradesh	DoA: 20.12.2018 Target Date: Three Years from the date of final approval i.e. 20.12.2021	Around 70% at present.	00	Total plots – 107 Total allotted- 02 Total operational- 00	March, 2026 (Date at which 100% units are expected to be functional)	Low interest from the investors.	NIL	The SPV has taken various steps such as providing incentives, advertising the park at various platforms etc.
6.	Deoghar, Jharkhand	DoA: 20.12.2018 Target Date: Three Years from the date of final approval i.e. 20.12.2021	Around 40% at present.	00	Total plots – 102 Total allotted- 00 Total operational- 00	March, 2026 (Date at which 100% units are expected to be functional)	Low interest from the investors.	NIL	The SPV has taken various steps such as providing incentives, advertising the park at various platforms etc.
7.	Sitarganj, Uttarakhand	DoA: 30.12.2020 Target Date: Three Years from the date of final approval i.e. 30.12.2023	Around 30% at present.	00	Total plots – 102 Total allotted- 14 Total operational- 00	March, 2026 (Date at which 100% units are expected to be functional)	Project progressing as per schedule	NIL	The SPV has taken various steps such as providing incentives, advertising the park at various platforms etc.
8.	Sarora, Chhattisgarh	DoA: 13.04.2021 Target Date: Three Years from the date of final approval i.e. 13.04.2024	Around 20% at present.	00	Total plots – 55 Total allotted- 00 Total operational- 00	March, 2026 (Date at which 100% units are expected to be functional)	Project progressing as per schedule	NIL	The SPV has taken various steps such as providing incentives, advertising the park at various platforms etc.

9.	Ganjimutt , Karnatak a	DoA: 21.01.2022 Target Date: Five Years from the date of final approval i.e. 21.01.2027	The project is yet to start.	00	Total plots – 53 Total allotted- 00 Total operational- 00	March, 2026 (Date at which 100% units are expected to be functional)	No delay	NIL	The SPV is developing the park and further plans to take various steps such as providing incentives, advertising the park at various platforms etc.
10.	Gorakhpur, Uttar Pradesh	DoA: 13.07.2022 Target Date: Five Years from the date of final approval i.e. 13.07.2027	The project is yet to start.	00	Total plots – 92 Total allotted- 00 Total operational- 00	March, 2026 (Date at which 100% units are expected to be functional)	No delay	NIL	The SPV is developing the park and further plans to take various steps such as providing incentives, advertising the park at various platforms etc.

20. As regards the budget provisions made for each of the 10 Plastic Parks and whether the allocated funds were surrendered due to their under-utilisation in the last three financial years, the Department has furnished the information as under :-

S.No	Location of Plastic Park	Total Project Cost (Rs. in crore)	Total Gol support approved for the project (Rs. in crore)	Gol support released till date (Rs. in crore)
1.	Tamot, Madhya Pradesh	108.00	40.00	35.90
2.	Paradeep, Odisha	106.78	40.00	36.00
4.	Tinsukia, Assam	93.65	40.00	35.73
5.	Deoghar, Jharkhand	67.33	33.67	30.30
6.	Bilaua, Madhya Pradesh	68.72	34.36	30.91
3.	Thiruvallur Tamil Nadu	216.92	40.00	22.00
7.	Sitarganj, Uttarakhand	67.73	33.93	18.69
8.	Sarora, Raipur, Chhattisgarh	42.09	21.045	4.21
9.	Ganjimutt, Karnataka	62.78	31.38	NIL
10.	Gorakhpur, Uttar Pradesh	69.58	34.79	NIL

Further, no allocated funds have been surrendered by any of the 10 Parks.

21. When asked about the reasons for slow pace of setting up Plastic Parks, the Committee have been informed as under:

- i. Low Interest from the investors and the industry owing to various factors, some of which are common and some are specific to the individual parks.
- ii. Presence of multi model and multi usage Industrial Zones/parks near the Plastic Parks in some cases.
- iii. Restrictions imposed during the COVID-19 pandemic etc.

22. On being asked about the remedial steps being taken by the Department to accelerate the work related to setting up of Plastic Parks, it has been stated that the Department with its limited role in the implementation of the Scheme has taken various remedial steps to accelerate the pace of setting up of these Plastic Parks, which are as mentioned below :-

- i. Increased monitoring of the progress of the parks through meetings at various levels.
- ii. Meetings have been taken up with Industry Associations so as to sensitize the industry about the potential of the Scheme and the parks.
- iii. The implementing agencies on multiple occasions have been requested to advertise the parks during various events, conferences, roadshows etc. are being proposed for the promotion. On the request of the Department, many of the Plastic Parks participated in the recently organised Plast India event and interacted with the industry and advertised their respective parks.
- iv. The Scheme Guidelines have been revised in November, 2020 in order to make the scheme more attractive and effective. The following broad revisions were introduced in the Scheme Guidelines:
 - Approving Brownfield Projects and existing Plastic Recycling Units along with Greenfield projects.
 - Allotment of plots on lease and rent basis.
 - Timeframe for completion of the project has been increased to 5 years from the existing timeframe of 3 years.

23. The Committee enquired whether the steps so taken have helped in expediting the pace of setting up of Plastic Parks. In reply, it has been stated that the Department has contributed in expediting the implementation of these parks

which is evident from the figures regarding the allotment of plots and operationalization of units. During the last financial years, efforts were made to achieve better progress and as a result around 96 plots across all the parks have been allotted and around 6 units have been operationalized.

(ii) Sub Scheme: Scheme for setting up of Centres of Excellence(CoEs)

24. The Committee have been informed that second sub-scheme under NSP viz. "Scheme for setting up of Centres of Excellence(CoEs)" under NSP aims to help in development of new products, newer applications, innovation and improvement of technology, process innovation, quality, environmentally sustainable development, etc. The CoEs are also expected to help in building brand image for India in exports. Institutions through this project will interact and pass on their research findings, expertise etc. to the industry for modernization of the petrochemical industry, both upstream and downstream. The Department has approved 13 CoEs till date.

25. When asked to elaborate on the concept of CoEs, their objectives and targets, it has been informed that the scheme while promoting Research & Innovation in the field of Petrochemicals and allied fields by establishing a Centre of Excellence in reputed Government Institutions facilitates R&D, training and skilling via various facilities established in the centre. The specific objectives of the CoEs are as given as under :-

- a) To focus on a specific area as identified in the national policy and create a competency centre for developmental activity in the identified areas.
- b) To carryout R&D, Product & Process Development, process equipment selection, testing facility, training for industry
- c) To disseminate the results of the R&D and other activities through filling of patents, transforming the research proposal into a business proposal to pick, invest and commercialize;

- d) Create skilled manpower competent to provide technical consultancy and facilitate START-UP entrepreneurs, keeping in view the larger interests of the society.
- e) To develop association between academia and industry for the benefit of the Petrochemical sector.

26. It has been added that some of the CoEs approved till date have been successful in their specified aims and objectives while some are still under implementation and research and training work is going on in them.

27. The Committee wanted to know as to when was the first CoE established and whether the 13 CoEs approved so far are adequate to meet its objectives. In reply, it has been stated that the first CoE was approved at Central Institute of Petrochemicals Engineering & Technology (CIPET), Chennai on 01.04.2011. Since then 10 more CoEs till December, 2020 have been approved. Further, the Department has obtained the approval of the Standing Finance Committee (SFC) to establish 11 new CoEs till 2025-26 and has accordingly approved 2 new CoEs in February, 2022 taking the total number of CoEs to 13. The list of all the CoEs along with their location is given as under :-

S.No	Institute	Name of CoE	Date of approval
1.	CIPET, Chennai, Tamilnadu	Green Transport Network (GREET)	April, 2011
2.	CSIR-National Chemical Laboratory (NCL), Pune, Maharashtra	Sustainable Polymer Industry to research & innovation	April, 2011
3.	Indian Institute of Technology (IIT), Delhi, Delhi	Advanced Polymeric Materials	March, 2013
4.	Central Institute of Petrochemicals Engineering & Technology (CIPET), Bhubaneswar, Odisha	Sustainable Green Materials	April, 2013

5.	Indian Institute of Technology (IIT), Guwahati, Assam	Sustainable Polymers (SusPol)	April, 2013
6.	Indian Institute of Technology (IIT), Roorkee, Uttarakhand	Process Development, Wastewater Management in Petrochemical Industries	February, 2019
7.	Central Institute of Petrochemicals Engineering & Technology, Bhubaneswar, Odisha	Bio-engineered Sustainable Polymeric Systems	February, 2019
8.	National Chemical Laboratory, Pune, Maharashtra	Specialty Polymers for Customized Additive Manufacturing	February, 2019
9.	CSIR - North East Institute of Science & Technology (CSIR-NEIST), Jorhat, Assam	Polymers, their Composites and Polymeric Membranes for Sustainable Development of Petroleum Industries	December, 2020
10.	CSIR-Indian Institute of Chemical Technology (CSIR-IICT), Hyderabad, Telangana	Polymer Coatings for Decorative, Protective and Strategic Applications	December, 2020
11.	Central Institute of Petrochemicals Engineering & Technology, Bhubaneswar, Odisha	Manufacturing of Next Generation Bio-Medical Devices	December, 2020
12.	Indian Institute of Technology (IIT), Guwahati, Assam	Sustainable & innovative Design and manufacturing of polymer-TOYS (SUNDAR - TOYS)	February, 2022
13.	Indian Rubber Manufacturers Research Association, (IRMRA), Thane, Maharashtra	Design and Development for Value added Toys of Rubber and Allied Finished Products	February, 2022

28 On being asked as to whether all the 13 CoEs approved by DCPCs are functional as on date, the Department has stated that out of the 13 CoEs approved

so far, 5 CoEs approved in the period 2011 to 2013 are completed and since they have achieved the desired outcomes and the project period, the Department is not monitoring them currently. The 6 CoEs approved in the period 2019 to 2020 are currently functional and the two new CoEs approved in 2022 are yet to start.

29. The Committee desired to know whether the CoE are fruitfully contributing for the petrochemical industry and have rendered necessary guidance/technology /expertise for the Industry in future. In response, the Department has stated that the Research outcomes in the form of novel technologies, patents, research publications, skilled workforce coming out of the CoE and the organization and participation in national and international symposia/workshops etc. have contributed towards the growth of the Petrochemicals Industry and will continue to do so in the future. The Department is making its best efforts to provide a platform for the Industry and the academia to interact on regular basis so that the two can cooperate as per the needs and requirements of the industry. One such initiative was the "Industry connect with Centre of Excellence" organized by the Department in May, 2022. The Department plans to arrange many such events in the future.

(iii) Sub Scheme : Petrochemicals Research and Innovation Commendation Scheme (earlier named as Chemical Promotion and Development Scheme)

30. As regards the third sub-scheme under NSP viz. "Petrochemicals Research and innovation Commendation Scheme" earlier named as "Chemical Promotion and Development Scheme (CPDS)", the Department has informed that it is implementing an Award Scheme to provide incentive for meritorious innovations & inventions in various fields of petrochemicals and downstream Plastic processing industry and awards are being given under the scheme since 2010-11. So far these National Awards have been given for over eleven editions and the Central Institute of Petrochemicals Engineering and Technology (CIPET) has been entrusted with the task of implementing the awards and overseeing various process such as advertising, receiving and scrutiny of applications etc.

31. Asked to elaborate on the National Petrochemicals Awards scheme and its genesis, the Department has replied that the awards scheme envisages promoting

Research & Development and Innovations in the Petrochemicals Sector by providing incentive for meritorious innovations & inventions in various fields of petrochemicals and downstream Plastic processing industry. The Scheme was formulated based on the Policy Resolution for Petrochemicals notified in the Gazette of India on 26.04.2007.

32. As regards the number of awards given in the field of Petrochemicals and downstream Plastic processing industry since 2010-11, the Department has furnished the details of the number of awardees awarded since 2010-11 as under :-

Sl. No.	Financial Year	No. of Winners	No. of Runners Up
1 st	2010-11	09	Nil
2 nd	2011-12	15	10
3 rd	2012-13	11	08
4 th	2013-14	17	06
5 th	2014-15	16	14
6 th	2015-16	17	14
7 th	2016-17	16	07
8 th	2017-18	07	08
9 th	2018-19	06	07
10 th	2019-20	04	09
11 th	2020-21	05	06

33. The Committee have been informed that presently the scheme is being reviewed on the directions of Ministry of Home Affairs and the same may be discontinued or transformed as per the directions. At present, it has been revised and renamed as the "Petrochemicals Research & Innovation Commendation Scheme". Some of the major revisions made are given as under :-

Clause	Old Guidelines	Revised Guidelines
Name of the Scheme	National Petrochemicals Award	Petrochemicals Research & Innovation Commendation

Cash Prize	Rs. 3 lakhs each for Winners & Rs. 1 lakh each for Runner-Ups	No Cash awards will be given and instead only a Citation & Memento will be provided
Expert Committee & Its Chairperson	The Expert Committee would be headed by Director General, CIPET.	The Committee will now be known as the Screening Committee with Joint Secretary (PC) as its chairperson and DG/Director of the implementing institute as Member Secretary.
Prize Awards Committee (PAC) & Its Chairperson	The PAC would be headed by JS (PC).	The Committee will now be called as the Commendation Approval Committee (CAC) and it will be chaired by the Secretary (C&PC).
TA/DA to awardees	No TA/DA will be provided to the recipients.	The expenses related to the travelling and boarding & loading of the recipients will be provided by the implementing agency.
Category for Lifetime achievement	A separate Special Award (of Rs. 5 lakhs cash award along with memento and citation) for the life time achievement in Petrochemicals and allied sectors.	The category has been dropped along with the category for best employer in Petrochemicals Sector.

34. The Committee have further been informed that the awards for the year 2020-21 were presented on 27.09.2022 and the awards for the year 2021-22 have not been presented due to revisions in the Scheme Guidelines. The Department will now present the commendations for the achievements made in the year 2021-22 in the year 2023-24. The role of the Department and CIPET has not undergone any major changes in the revised scheme.

B. Central Institute of Petrochemicals Engineering and Technology (CIPET)

35. Central Institute of Petrochemicals Engineering and Technology (CIPET) is an autonomous body to which grant is being released for creation of capital assets. The Department provides budgetary support to CIPET for strengthening its civil and technical infrastructure, research and development capacities and academic and training initiatives and also for construction of hostels and setting up new CIPET centers. CIPET is a premier national institution under the Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India fully devoted to Skill Development, Technology Support Services, Academic and Research (STAR) in all the domains of plastics viz. Design, CAD/CAM/CAE, Tooling & Mould Manufacturing, Plastics Processing, Testing and Quality Assurance. CIPET has 46 Centers spread across the country which includes 8 Institutes of Plastic Technology (IPT), 31 Centers for Skilling and Technical Support (CSTS), 3 Schools for Advanced Research in Polymers (SARP) and 04 sub-centers.

36. On being asked to furnish the details of grant released to CIPET for creation of capital assets during the last three financial years and the current financial year and whether the grant so released was optimally utilized by CIPET, the Department has furnished the details as under:

Year	BE	RE	Actual
2020-21	98.25	146.30	146.30
2021-22	117.88	102.34	94.53
2022-23	100.24	63.81	63.81
2023-24	92.88	-	-

37. The Committee wanted to know about the CIPET centres under construction as on date. In reply, the information is given as under :

CIPET Centres:

Sl. No	Name of the CIPET Centre	Name of the State	Date of Commencement of Construction	Target Date	Whether Completed in the Target Date or not	Reason For Delay	Approximate Cost Escalation Due to Time Over Run	Expected Date of Completion	Steps Taken to avoid such delay
1	CIPET : CSTS, Gwalior	Madhya Pradesh	02.01.2019	July 2020	No	Construction cost increased by Rs.8.76 Crore due to geographical condition. Academic Building & other infrastructure will be completed after one year from the date of receipt of additional fund (Rs.8.76 crore) from Govt. of MP to MPIDC (Construction agency)	--	May 2023 (TSS Building)	Following with State Govt. for getting additional funds.
2	CIPET : CSTS, Baddi	Himachal Pradesh	19.05.2020	Nov 2021	No	The total cost towards construction of academic block will be approx. 26.36 Cr. The project delay due to deficit of funds	--	August 2023	State Govt. has provided additional fund of Rs.2.57 Crore out of total deficit of Rs.5.15 Crore.
3	CIPET : CSTS, Varanasi	Uttar Pradesh	01.06.2020	Dec 2021	No	The additional fund of Rs.6.45 crore towards exceeded cost of construction has to be provided by the State Govt. The construction will be completed within one month after receipt of the above fund.	--	June 2023	Following with State Govt. for getting additional funds
4	CIPET : CSTS, Ranchi	Jharkhand	26.10.2020	Apr 2022	No	Due to Covid guidelines by the State Govt. the construction activities was stopped about 8 months. Non supply of river sand for construction as it was banned by the State Govt. Delay on account of manpower issues of contractor appointed by the CPWD.	--	July 2023	After continuous meeting and follows up with CPWD the work triggered up.
5	CIPET : CSTS, Bhagalpur	Bihar	02.04.2022	Mar (*) 2023	-		--	Oct'2023	
6	CIPET : IPT, Bihta	Bihar	25.10.2022	Mar (*) 2023	-		--	Apr'24	

(*) Proposal seeking extension of time period upto 2025-26 has been submitted to the Ministry.

38. When asked as to how CIPET has contributed to the skill development in the country, the Department has stated that CIPET regularly conducts the Skill Development Training Programmes with the support of various Ministries / State Skill Development Mission / Government Departments / PSUs / Private Organizations for the benefit of underprivileged / unemployed youths of their respective target group / beneficiaries across the county. These beneficiaries are getting skill development training and upon successful completion of the training, they are getting gainful employment with better remuneration in the Petrochemical / Plastics and allied industries.

39. The Committee further desired to know the details with regard to the number of students admitted in the 46 centres of CIPET in the courses run by them and how many students actually qualified and also how many were able to find a suitable employment. In reply, the details of candidates admitted/ qualified/ employed are given as under :

Financial Year	No. of Candidates Admitted	No. of Candidates Trained (SUP+SDTP)	No. of Candidates Placed
2020-21	29,581	29,465 (26998 + 2467)	1886
2021-22	34,208	34,027 (26140 + 7887)	6018
2022-23 (Upto Jan.2023)	36,536	36,422 (25593 + 10829)	8246

SUP – Skill Upgradation Programme

SDTP – Skill Development Training Programme

40. Further, the details of candidates enrolled and placed after Long term Training Programmes conducted at CIPET centres are given as under :

Financial Year	No. of Candidates enrolled	No. of Candidates qualified (Final Semester)	No. of Candidates Placed (% of placement)
2020-21	13297	4263	91 (3563)
2021-22	13494	4502	90 (3932)
2022-23	11972	220*	On going

*For the year 2022-23 – PD-PMD with CAD/CAM 1½ years has completed successful in the month of January 2023, rest of courses will be completed in July 2023.

41. When asked to state whether CIPET is also providing placement services to the candidates passing out various courses, the Department has informed that CIPET provides placement services to the students of long term courses and short term courses. As a part of placement services, CIPET conducts pre-placement training to improve the skills of trainees. CIPET centres have placement cell with dedicated placement officers for placement activities. In addition to that, a centralized placement cell is located at CIPET Head office to assist and monitor the placement activities of Long term trainees.

C. Plastics Waste Management Centres (PWMCs)

42. The Committee have been informed that one of the projects under CIPET is setting up of Plastics Waste Management Centre(PWMCs) at four (04) CIPET Centres – one each at Ahmedabad, Bengaluru, Patna and Varanasi. In this regard Standard Operating Procedure (SoP) and Detail Project Report (DPR) were prepared as per EPR Guidelines for the establishment of Plastics Waste Management Centres (PWMC) at Bengaluru, Varanasi, Patna & Ahmedabad.

43. On being asked to state as to when was the proposal for setting up of Plastics Waste Management Centres (PWMCs) submitted and got in-principle approval and also when was the work for setting up PWMCs initiated, the Department in its reply has submitted that the proposal for setting up of PWMCs at Ahmedabad, Bengaluru, Patna & Varanasi was deliberated in the Standing Finance Committee (SFC) meeting held under the Chairmanship of Secretary (C&PC) on 21.10.2019 and the same was approved by the Department on 20.12.2019. The details for each of the PWMCs are enclosed in **Annexure**.

44. As regards the targets fixed for setting up of PWMCs and the time by which the PWMC are likely to be established and fully functional, the target for setting up of PWMCs is stated to be as under :

- To optimize the processing condition for product development with improved compatibility among the different plastics.
- To develop well trained manpower for plastic recycling units.
- To promote effective plastics waste management solutions.
- To promote entrepreneurs and start up ventures.
- To develop the product for economic aspect.
- To assess the recyclability of developed pallets.

45. It has simultaneously been informed that the PWMCs are expected to be established and become fully functional by 31.03.2024.

46. The Committee further pointed towards the inordinate delays in setting up of PWMCs and desired to know the reasons thereof. In reply, it has been stated that CIPET had revised the Standard Operating Procedure (SoP) and Detailed Project Report (DPR), which has been approved by DCPC on 28.06.2022. The revised SoP and DPR have been circulated to the respective CIPET Centre i.e. Hajipur, Varanasi, Bengaluru & Ahmedabad for necessary action. Initially, it was proposed for 5 acre land for each PWMC; however, as per revised SoP, the State

Government is required to provide 2 to 3 acres of land free of cost / at lease along with prefabricated constructed shed of 4000 sqm having necessary electricity, water and other civil infrastructure required for operation of PWMC. Each PWMC will operate on demonstrative mode.

47. The Department has further informed that CIPET Centres have submitted the approved revised SoP and DPR to the concerned department of the respective State Government for allotment of suitable 2-3 acre land. The allotment of land and financial support by the respective State Government for PWMCs is not yet received. Hence, it was decided to establish PWMC in the existing CIPET Campuses to avoid further delay. The entire expenses on both civil and technical infrastructure will be borne by Govt. of India (5.4 crore, 90%) and CIPET Centre (0.6 crore, 10%), as per the earlier project estimate of 6 crore. The amended revised SoP and DPR for establishment of PWMC at CIPET Centre is being prepared by CIPET.

48. In this context, a representatives of the Department submitted as under:-

"...we have not been able to get the land from the various State Governments. Also, we also asked for the overall less expenditure. Whenever we expand our activities in a State, we ask for the matching contribution from the State Government as well as land which is required. For plastic waste management centres, we have been trying very hard with the State Governments. We have not been able to get the land. Now, we are changing our strategy. Instead of asking for the land from the State Government, we thought that we could be very active in plastic waste management, generally waste management along with the municipal corporation. But we thought that instead of having that active role, we can have demonstration units within the complex, CIPET centre is having, so that some demonstration can be done with respect to the plastic waste management. So, we are changing our strategy with respect to that. In many places where we have been asking the State Governments to provide land, they provide land which is not suitable for the purpose of either

the demonstration centre or training. A place should be there which is suitable for training, academic work, R&D work and where the professionals can also stay. If it is somewhere in a remote area, then it becomes a little difficult. Many a time, they provide us a place in the industrial area. That is also fine. But it should not be very remote kind of area."

D. Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR)

49. The Committee have been informed that the Government of India had notified the PCPIR Policy to attract investment and for generation of employment in the Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). The PCPIRs promotes the Chemical and Petrochemical sectors in an integrated and environmental friendly manner on a large scale. The concept of PCPIRs is based on cluster approach to promote the Petroleum, Chemical and Petrochemical sectors in an integrated and environmental friendly manner on a large scale. Government of India formulated the PCPIR policy in April 2007 to give a boost to this sector. So far 4 PCPIRs have been notified which are (i) Gujarat (Dahej) notified in the year 2009, (ii) Andhra Pradesh (Vishakhapatnam) notified in the year 2009, (iii) Odisha (Paradeep) notified in the year 2010 and (iv) Tamil Nadu (Cuddalore and Nagapattinam).

50. It has further been stated that once fully established, these four PCPIRs are expected to attract investment of around Rs. 7.63 lakh crore. As per data available from State Governments, investments worth Rs. 2.12 lakh crore approximately have been made / committed in these regions. The four PCPIRs are expected to generate employment for around 33.83 lakh persons. Around 3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs

51. It has been added that each PCPIR is a specifically delineated investment region having an area of about 250 sq. km. (with around 40% of the area earmarked for processing activities). The PCPIRs reap the benefits of co-sitting, networking and greater efficiency through the use of common infrastructure and support services. PCPIRs are conceptualized to provide high-class infrastructure

and competitive environment conducive for setting up businesses. PCPIRs aims to boost manufacturing, augmentation of exports and generation of employment.

52. Under the PCPIR Policy, 2007, Government of India provides Viability Gap Funding through Public Private Partnerships for developing infrastructure linkages to the PCPIR including Rail, Road (National Highways), Ports, Airports, and Telecom under the schemes of concerned Ministries/Departments. Besides, the State Governments and the organizations under the control of the State Governments also provide financial assistance for developing internal infrastructure. However, this Department does not make any budgetary allocation to the PCPIRs. The PCPIRs are stated to be at different stages of implementation.

53. On being asked as to how the PCPIRs have helped to promote the Chemical and Petrochemical sector in the country, the Department has replied that PCPIRs have contributed in attracting investment in the chemicals and petrochemicals sector thereby generating employment opportunities in the sector as indicated below :

Indicator	Gujarat	Andhra Pradesh	Odisha
Location/ Region	Dahej, Bharuch	Vishakhapatnam– Kakinada	Paradeep
Refinery / Cracker capacity in MMTPA	Cracker: Ethylene: 1.1 Propylene: 0.6	Yet to be finalized	15 (Greenfield refinery).
Investments made (Rs. in crore)	1,24,363	18,850	73,518
Employment generated (No.)	2,38,000	1,41,338	54,158

54. When asked whether the PCPIR Policy formulated in the year 2007 has been able to achieve its objectives, the Department in a written reply has submitted that the purpose for which the PCPIRs were set up has been broadly achieved. However, there is still ample scope for investment in the PCPIRs and

consequent employment generation. For this purpose, to attract investment into PCPIRs, the Department is aggressively conducting road shows in collaboration with Industry associations. The Department also organizes mega biennial international events namely “India Chem” and “Global Chemical and Petrochemical Manufacturing Hubs in India” to promote and attract investment in these PCPIRs.

55. The current status with regard to the four PCPIRs is as given below:-

Indicator	Gujarat	Andhra Pradesh	Odisha
Location/ Region	Dahej, Bharuch	Vishakhapatnam– Kakinada	Paradeep
Date of Approval	Feb, 2009	Feb, 2009	Dec, 2010
Total Area (Sq. kms.)	453.00	640.00	284.15
Processing Area (Sq.kms.)	248.00	270.00	123.00
Anchor Tenant	ONGC Petro Additions Limited (OPaL)	-	Indian Oil Corporation Ltd. (IOCL)
Refinery / Cracker capacity in MMTPA	Cracker: Ethylene: 1.1 Propylene: 0.6	-	15 (Greenfield refinery).
Anchor Project Status	Commissioned in March, 2017	-	Commissioned in February, 2016.
Gol share in form of VGF (Rs. crore)*	80.50	1206.80	716.00
Investments made (Rs. Crore)	1,24,363	18,850	73,518
Employment generated (No.)	2,38,000	1,41,338	54,158
Status of Master Plan notification	Development Plan sanctioned.	Field Studies, village level consultations completed. Once the Anchor unit	Preparation of Master Plan is in process.

		finalizes location, configuration and capacity of the Cracker Complex etc., Master Plan will be finalized.	
Status of EIA	Environmental Clearances & Coastal Region Zone received.	Environmental Clearances, Environment Impact Assessment (EIA) Studies, Collection of Baseline Data etc completed. Once the Master Plan finalized based on location, configuration and capacity of the Cracker Complex the public hearing will be conducted and will be processed for Environmental Clearance.	The draft EIA & Environmental Management Plan (EMP) Report has been prepared based on the fresh ToR issued by MoEF&CC and same has been submitted to Odisha SPCB for the conduct of hearing in Jagatsinghpur&Kendrapara Districts. • Public hearing for both the districts has been completed and preparation of the Final comprehensive EIA & EMP Report is progress.

Status of Tamil Nadu PCPIR:

- An area of about 23,000 Hectares of land covered in 45 villages in Cuddalore and Nagapattinam Districts were declared as "Local Planning Area" for the proposed PCPIR, vide Govt. G.O. (Ms) No.108, H&UDD, Dated 20.06.2017.
- Government of Tamilnadu has cancelled the declaration of "local Planning Area" vide Govt. G.O. (Ms) No 36, H&UDD, Dated 21.02.2020 and the same has been published in Tamil Nadu Govt., Gazette dated 21.02.2020.

56. To a similar query, a representative of the Department during the course of evidence, submitted as under :

“we have a policy and a scheme that was notified in 2007 for the promotion of the chemicals and petrochemicals industry in our country, a cluster-based approach. We have four PCPIR regions– Gujarat, Andhra Pradesh, Odisha, and Tamil Nadu. In Gujarat, the total area was 453 km; in Odisha, 284; in Andhra, 640; and in Tamil Nadu, 257. The investment made so far in

Gujarat was Rs. 1,24,363 crore; in Odisha, it was Rs. 47,000 crore; in Andhra Pradesh, it was Rs.15,081 crore; and in Tamil Nadu, it was Rs. 8,100 crore. The employment generation in Gujarat it was 2.38 lakh; in Odisha, it was 54,000; in Andhra – 1,51,338; and about 14,000 in Tamil Nadu. The investment in PCPIR regions is not that much higher, but the Department is addressing and pursuing a lot of road shows, international conferences, and seminars to push investment.”

57. The representative further added as under :

“.....It has not done very well in all the places except in Gujarat where it has done pretty well. At other places, it is in varying stages of implementation. One of the main reasons is land. We had notified area of about 250 square kilometres. Land is a scare commodity. Acquiring the land and notifying it for industrial purposes, particularly for Chemicals and Petrochemicals, becomes a challenge. The related issue is the anchor plant which should be there which will provide feed stock for various chemical industries. We have not been able to notify land at all the places. That also becomes a challenge for us. We have been reviewing it and we have come to conclusion that we need not go for such a big area. We should be focusing on smaller area. Earlier, we thought of 50 square kilometres which should be provided with common infrastructure facilities. But now after consulting with important stakeholders, particularly the State Government where a lot of chemical industry is there, they are saying that even 50 square kilometres is a big area; we should go for 5000 acres where we should be providing common infrastructure facilities. That will help us to promote the chemical industry. It is obvious why we need a park or small notified area. Chemical industry is polluting industry and it needs to concentrate on small area; it need not be everywhere.”

V. Other Issues

(i) Quality Control Order

58. During the course of evidence, a representative of the DCPC, with regard to the Quality Control of the various Chemicals submitted as under :

“.....Sir, the quality of chemicals is very important and this is one way we can ensure the quality. It is an unregulated sector, even though it is very difficult to contaminate them, but it is possible that we get spurious chemicals. For that reason, we need to have some standards. For implementing and for ensuring that they are implemented, we should have quality control orders. We have made a small beginning. We have been able to do a very limited number of quality control orders of about 61. But we have a large number of chemicals. We need to have more quality control orders just to ensure that we get quality chemicals in the market. We are working in close collaboration with the Department of Consumer Affairs under which BIS is there and also, with the Ministry of Environment, Forests and Climate Change which is implementing some of the international conventions”.

59. Elaborating on the issue, the representative further added as under :

“.....First of all, our objective should be to have quality control orders for all the chemicals. Pending that, all those chemicals which are very important either in terms of some international conventions or in terms of the Ministry of Environment rules. So, we have a strategy which will cover the chemicals under various conventions of Rotterdam, Stockholm and chemical weapons, about 135 of them. They should be having the standards as well as QCOs for that. And for all those which have been notified as hazardous chemicals by Ministry of Environment – about 684 – we should be having the standards as well as QCOs. Some chemicals have been notified by Ministry of Consumer Affairs. They are getting input from the market. These chemicals are hazardous for certain segments and they should be immediately notified as having some quality control orders. So, we are

working very closely with Department of Consumer Affairs and also BIS. This is again a very big task before us, but it will ensure that we produce quality chemicals not only for domestic market but also for the export market”.

60. Elaborating further on the issue, the representative further submitted as follows:-

“... I will give a little background to this. Insecticides, or broadly speaking pesticides, are governed by Insecticide Act. There is a body called Central Insecticide Board (CIBRC). They do the registration and they are basically controlling the thing. They are a sort of a regulator, and they are providing licence. That means, anything which has to be sold in the market will be first licensed with them. When licensing is being done, then there are some problems. There could be some challenges. How do you resolve them? Even though it is with the Agriculture Department, chemicals as such is with us. So, there is a conflict. We have to promote them, but they are restricting. So, we have to balance somewhere. They feel that pesticide is harmful. Pesticide, of course, is harmful for human health as well as for environment. For that reason, it needs to be controlled. For that purpose, some issues had arisen.....: Pesticide is harmful, Sir, but at the same time it is required also. So, the industry’s issues have to be resolved. The industry mentioned that the Department of Agriculture (CIBRC) is taking time to grant the export licence. So, we took up the matter with the CIBRC. Then they examined the thing and said that whatever information is required in Form 1 is to be given, and if some additional information is required and that is available in some other public domain, then they can take and do it and then give the licence. Industry was mentioning that CIBRC was taking a lot of time. But, CIBRC took it up. Only one case, five days old, was there. The industry was also communicated. This is the procedure. Accordingly, the other thing is going on. Similarly, for technical pesticides for research purpose, only 2 kg were permitted for import. The industry said that 2 kg was not adequate. They wanted it to be

increased. We took up the matter with the Department of Agriculture. They are now planning to increase it from 2 kg to 5 kg. Similarly, the industry was not able to know the status of their export registration application. Now the Department is developing a traceability and digitisation database on which the industry can track their application. Sample collection and sample testing also will be randomised there so that there will be transparency. Similarly, technical registration of the imported formulations was made mandatory. These are the three, four issues of the industry which we could take up with the Department of Agriculture. Similarly, there were a lot of issues with the Ministry of Environment and Forests. We could handle four, five cases. Still some issues are there which are in the process of resolution.”

61. As regard various issues of the Chemical and Petrochemical industry which require inter-ministerial consultation, a representative of DCPC submitted as under:-

“.....With Department of Consumer Affairs, we are having continuous dialogue on how we can ensure the quality of our chemicals. Already 61 quality control orders have been notified. As our Secretary Sir has just mentioned, we are now focusing on creating the QCOs for those chemicals first which are in the international conventions and listed in the MSIHC rule, and the chemicals which have been listed by the Department of Consumer Affairs”.

(ii) Harmonized System (HS) Code

62. As regard to HS Codes, a representative of the DCPC submitted during evidence as under :-

“we have been able to get some codes modified and some duty rationalization done. We wanted raw materials with a low duty rate and finished products with a higher duty rate, and these were some of the raw materials available. Epichlorohydrin is manufactured with crude glycerine

that has been reduced from 7.5 percent to 2.5 percent. The same is true for acid-grade fluorspar, where we wanted to get it to zero but only got it down to 2.5 percent from 5%. This is a small beginning. We would like it to happen to all the raw materials. For the final products, we would like to have higher duties. Sir, HS codes is important. We have noticed that the majority of imports are happening in the other category. When something is quoted in other categories, we really don't know what exactly this chemical is; it could be misused also. That is the reason, we wanted to have notification for all the chemicals. We have made a beginning. We have been able to get the coding for a limited number of chemicals. We were just making an estimation, and we find that we have about 18,000 codes compared to the 11,000 basic chemicals that are there. That means, there is a huge scope for misuse in this sector, and we are pursuing it very hard with the Department of Revenue to ensure that we have codification for all the chemicals”.

63. The representatives further submitted on the issue as under :-

“....Similarly, for the HS code, these also could be created because of our pursuance with the Department of Revenue. Our Secretary Sir had a meeting with Secretary Revenue. We had made a presentation there. Then this could be made. Similarly, in the Budget, duties could be rationalised on two items and that was also because of the pursuance”.

PART II

OBSERVATIONS/RECOMMENDATIONS

Proposed and approved allocation for the year 2023-24

The Committee note that the Department of Chemicals and Petrochemicals (DCPC) projected an outlay of Rs. 200.95 crore for its various schemes/programmes and other requirements during 2023-24. However, it has been reduced to Rs. 173.45 crore by the Ministry of Finance. The reduction in the proposed budget outlay, which was assessed by the Department as necessary, is made in respect of (i) PLI scheme for CPC (which has been approved by EGOS for Rs.5000 crore) for which a provision of Rs.5.00 crore was made in BE 2023-24 with regard to PMA expenditure under existing scheme of the DCPC i.e. NSP; (ii) CPDS, where only an amount of Rs.3.00 crore has been allocated which has been merged with NSP scheme w.e.f. 01.04.2023; (iii) CIPET where Rs.92.88 crore has been allocated against Rs. 106.20 crore and (iv) New Schemes of Petrochemicals (NSP), where a reduced amount of Rs. 22.00 crore (including CPDS fund of Rs.3.00 crore) has been allocated.

The Committee are of the view that the downward revision of the financial targets which would have helped the Department in improving its lagging performance would affect the performance of the Department this year too resulting in retarded growth of the chemical and petrochemical industry on the whole. Hence, the Committee recommend that the DCPC should get the funds of the required level of Rs 200.95 crore at the RE, 2023-24.

2. The Committee observe that the Ministry of Finance made the reduction in proposed allocation of funds to the Department of Chemicals and Petrochemicals observing its slow pace of expenditure viz. slow pace of expenditure by various Plastic Parks and Center of Excellences (CoEs) under NSP scheme and due to huge unspent balance remaining in the account of CIPET, etc. This indicates lack of concerted efforts on the part of the Department and the concerned institutions viz CIPET, CoEs etc. The

Committee have been informed that keeping in view the slow progress of expenditure in NSP schemes & by CIPET for Plastic Parks, CoEs & CIPET centres, follow up with State Governments is going on to expedite the process relating to establishment of different Plastic Parks, CoEs and CIPET centres.

The Committee would desire that the Ministry/Department intensify their efforts to resolve the related issues with the concerned State Governments to get the desired results in order to avoid further delays in implementation of their projects/schemes. The Committee have been assured that the Department will ensure full utilization of funds allocated during the first quarter of the financial year by timely accessing and processing of financial proposals by various programme divisions. The Committee trust that the Department would project their requirement of funds at RE, 2023-24, in a more convincing manner and allocations will be suitably stepped up.

Allocation and utilization of funds during the last three years.

3. The Committee are concerned to note the declining trend in allocation of funds to DCPC during the last three years. Allocation of Rs 295.70 crore, Rs. 209.00 crore and Rs 150.68 crore had been made at RE, 2020-21, RE, 2021-22 and RE, 2022-23, respectively. The Committee further find a declining trend in expenditure as the Department could spent Rs. 293.04 crore, Rs. 208.29 crore and Rs. 129.48 crore (as on 31.12.2022) during 2020-21, 2021-22 and 2022-23 (up to 31.12.2022), respectively. Also, there was a drastic reduction in allocation of funds to DCPC from BE, 2022-23 of Rs. 209.00 crore to 150.68 at RE, 2022-23. While observing that the Department has miserably failed to achieve the financial targets in the previous years, the Committee would like the Department to ensure that the assessment of requirement of funds under various heads of the Grant are made on realistic anticipations to make the budgetary exercise more meaningful and accurate.

Setting up of Plastic Parks

4. The Committee learn that the DCPC formulated a Scheme for setting up of Plastic Parks as far back as in the year 2013 to provide quality infrastructure and give a boost to the Plastic Sector. Plastic Parks would support the requisite state of the art infrastructure, enabling common facilities through cluster development approach to consolidate the capacities of the domestic downstream plastic processing industry. The Department has so far approved ten(10) Plastic Parks. The Committee note that the target date for setting up of a Plastic Park has been kept as Three(3) years from the date of approval of a Plastic Park. Out of 10 parks approved so far, two (2) Plastic Parks were approved in the year 2013, one(1) in 2014, two(2) in 2018, one(1) in 2019, one(1) in 2020, one(1) in 2021 and two(2) in 2022. If target dates for setting up of Plastic Parks are taken into account, the Committee find that six(6) Plastic Parks should have been set up as on date. However, the Committee are deeply concerned to note that so far only one Plastic Park at Tamot, Madhya Pradesh has been set up and that too after a delay of around 4 years. It has further been brought to the notice of the Committee that all the Ten (10) Plastic Parks are likely to be functional by March, 2026. The Committee are at loss to find any justification for Plastic Parks which were approved way back in 2013 or 2014 to be made functional in March, 2026 along with those approved in 2022. In the opinion of the Committee, it is imperative that all the Plastic Parks are set up within the fixed timelines and are made functional without registering any delays. Keeping in mind the objectives of Plastic Parks Scheme, the Committee would earnestly desire that the plastic processing industry in the country should not be further deprived of the benefits of the Scheme. The Committee would like to be kept informed of the progress made in this regard periodically.

5. The Committee note that under the Plastic Park Scheme, Government of India provides grant funding up to 50% of the project cost subject to a ceiling of Rs. 40.00 crore per project for development of physical infrastructure which includes facilities like roads, water supply, drainage, electricity supply etc. along with buildings to support services like

administrative buildings, crèche /canteen /hostel/ facilities and facilities for labour, marketing support system etc. The remaining contribution in the project is made by the State Government or the State industrial Development Corporation or similar agencies of State Government, beneficiary industries and loan from financial institutions. Out of the ten(10) approved Plastic Parks, the Government have allocated the maximum grant of Rs. 40.00 crore to four(4)Parks and the rest six(6) Parks, based on their total project cost have been allocated an approved grant which is 50% of the total project cost and is less than Rs. 40.00 crore. The Committee note with displeasure that though Government funding is up to 50% of the project cost (subject to a ceiling of a whopping amount of Rs. 40.00 crore, there are inordinate delays in setting up of Plastic Parks for various reasons.

The delay in setting up of the Plastics Parks Scheme is attributed to low interest from the investors and the industry owing to various factors, like presence of multi model and multi usage Industrial Zones/parks near the Plastic Parks in some cases, restrictions imposed during the COVID-19 pandemic etc. The Committee also take note of the measures taken by the Department to accelerate the pace of setting up of the Plastic Parks like monitoring of the progress of the parks through meetings at various levels has been increased, meetings are taken up with Industry Associations so as to sensitize the industry about the potential of the Scheme and the Parks, the implementing agencies have been requested on multiple occasions to advertise the Parks during various events, conferences, road shows etc. Besides, revision of the scheme guidelines has been done in November, 2020 to make it more attractive and effective. The Committee trust that the Department would continue to make concerted efforts until they get the desired results. The Committee further hope that the DCPC and the respective State Governments/agencies involved would act in proper coordination and with unity of purpose to make the Scheme successful to the benefit of the Plastic processing industry and the entire country, failing which the entire scheme would be reviewed.

Setting up of Centres of Excellence (CoEs)

6. The Committee note that DCPC has formulated a Scheme for setting up of Centres of Excellence (CoEs) which aims at improving the existing petrochemical technology and research in the country and to promote development of new applications of polymers and plastics. Out of the approved 13 CoEs, 5 CoEs approved in the period 2011 to 2013 are completed and as they have achieved the desired outcomes and the project period, the Department is not monitoring them currently, Six(6) CoEs approved in the period 2019 to 2020 are currently functional and the 2 new CoEs approved in 2022 are yet to start. The Department is stated to be making its best efforts to provide a platform for the Industry and the academia to interact on regular basis so that the two can cooperate as per the needs and requirements of the industry. One such initiative was the “Industry connect with Centre of Excellence” organized by the Department in May, 2022. The Department plans to arrange many such events in the future. The Committee are constrained to observe that the Department had approved CoEs in the period 2011 to 2013 and then only in 2019 to 2020 after a gap of 6 years. Having regard to the fact that the research outcomes in the form of novel technologies, patents, research publications, skilled workforce coming out of the CoEs and the organization and their participation in national and international symposia/workshops etc. immensely contributes towards the growth of the Petrochemicals Industry, the Committee recommend that sufficient number of CoEs should be set up at regular intervals of time in existing educational and research institutions working in the field of polymers to fulfil the intended objectives. The Committee would like to be apprised of the progress with regard to 2 new CoEs which were approved in 2022.

Chemical Promotion and Development Scheme (CPDS)

7. The Committee note that the Department was running the Chemical Promotion and Development Scheme (CPDS) to provide incentives for meritorious innovations and inventions in various fields of Petrochemicals and downstream Plastic Processing industry. From the year 2010-11 to the

year 2020-21, about 123 winners and 89 runners up have been awarded. The Committee have been apprised that the CPDS has been revised/reviewed and renamed as the Petrochemicals Research and Innovation Commendation Scheme on the directions of the Ministry of Home Affairs. In the revised scheme, cash prize of Rs. 3 lakh each for winners and Rs 1 lakh each for runner ups has been withdrawn and instead a citation and Memento will be given. Moreover, category for lifetime achievement award for which a separate award of Rs. 5 lakh cash along with the memento and citation was given for the life time achievement in Petrochemicals and allied sector has been dropped along with the category for best employees in Petrochemicals sector. The Committee would like to understand the reasons behind the decision to withdraw the provision of cash prizes to incentivise meritorious innovations and inventions in various fields of Petrochemicals and downstream Plastic Processing industry, which was in practice for last eleven years. The Committee are of the considered opinion that cash prizes in the form of incentives to the awardees are always motivational and decision of its withdrawal may discourage the awardees and prove detrimental to the interest of the Petrochemicals Sector. Hence, the Committee recommend that DCPC should reconsider its decision in consultation with the Ministry of Home Affairs and propose to restore some cash prizes in the form of incentives to the awardees for meritorious innovations and inventions in various fields of Petrochemicals and downstream Plastic Processing industry. The Committee trust that the Department would take immediate positive steps in this regard and apprise the Committee of the same.

Performance of CIPET during the last three years and allocation of funds

8. The Central Institute of Petrochemicals Engineering & Technology (CIPET) is a premier national institution under the DCPC devoted to Skill Development, Technology Support Services, Academic and Research (STAR) in all the domains of plastics viz. Design, CAD/CAM/CAE, Tooling & Mould Manufacturing, Plastics Processing, Testing and Quality Assurance. The Committee note that BE, 2021-22 of Rs. 117.88 crore in respect of CIPET was reduced to Rs. 102.34 crore at RE, 2021-22 due to slow pace of

expenditure mainly due to COVID-19 pandemic. Again, BE, 2022-23 of Rs. 100.24 crore was reduced to Rs. 63.81 crore at RE, 2022-23, the reason being unspent balance lying in CIPET. This can not be termed a satisfactory performance for an organisation like CIPET working with a mission to offer blend of specialized Academic and Skill Development Training Programs in the field of Petrochemicals Engineering & Technology to provide qualified Human Resources with entrepreneurship qualities for Petrochemical & Allied Industries. The Committee hope that DCPC/CIPET would take all advance measures to make good the unsatisfactory spending by CIPET in the past and see that budgetary provision of Rs. 92.88 crore during the year 2023-24 are optimally utilised and physical targets fixed are achieved without any shortfall.

Construction of new CIPET Centres

9. CIPET has 46 Centers spread across the country which include 8 Institutes of Plastic Technology (IPT), 31 Centers for Skilling and Technical Support (CSTS), 3 Schools for Advanced Research in Polymers (SARP) and 4 sub-centers. The Committee note that 06 CIPET centres, namely, CIPET CSTS, Gwalior, CIPET CSTS Baddi, CIPET CSTS Varanasi, CIPET CSTS Ranchi, CIPET CSTS Bhagalpur and CIPET IPT Bhita targetted to be completed by July, 2020, November, 2021, December, 2021, April, 2021, March, 2023 and March, 2023 respectively are under various stages of construction and still far from completion. It is disheartening to note that Department is seeking extension of period upto 2025-26 for completing the construction work in respect of all the 6 CIPET centres irrespective of the fact that 4 out of the 6 CIPET centres were targetted to be completed in the years 2020 and 2021. The Committee may be apprised of the reasons thereof.

10. The Committee have been told that the matter in respect of CIPET CSTS Gwalior and CIPET CSTS Varanasi is being taken up with the respective State Governments for seeking additional funds. For CIPET, CSTS Baddi, the State Government has provided additional funds of Rs. 2.57 crore, out of total deficit of Rs. 5.15 crore and the work of CIPET CSTS Ranchi has

triggered up after continuous meeting and follow up with CPWD. Nothing has been mentioned with regard to the status of CIPET CSTS Bhagalpur and CIPET IPT Bhita. The Committee feel that the onus lies with the Department to set up all the 6 CIPET Centres as targetted. The Committee recommend that all necessary steps be taken on an urgent basis to resolve the issues with the respective State Governments so that all the six CIPET centres come into existence at the earliest.

Establishment of Plastic Waste management Centres (PWMCs) at CIPET Centres

11. The Committee note that the proposal for establishment of 4 Plastic Waste management Centres (PWMCs) at Bengaluru, Varanasi, Patna & Ahmedabad was first deliberated in the Standing Finance Committee (SFC) meeting held under the Chairmanship of Secretary (C&PC) on 21.10.2019 and approved by the Department on 20.12.2019. PWMCs aim inter-alia to optimize the processing condition for product development with improved compatibility among the different plastics, develop well trained manpower for plastic recycling units, promote effective plastics waste management solutions, promote entrepreneurs and start up ventures, develop the product for economic aspect and assess the recyclability of developed pallets.

The Committee, however, regret to note that till date not even a single PWMC has been established. CIPET has revised the Standard Operating Procedure (SOP) and Detailed Project Report (DPR), which DCPC approved on 28.06.2022, and circulated the same to the respective CIPET Centres at Hajipur, Varanasi, Bengaluru & Ahmedabad. CIPET Centres have submitted the approved revised SOP and DPR to the respective State Governments for allotment of suitable 2-3 acre land as per the revised SOP. However, in the absence of any response from the respective State Governments, it has been decided to establish PWMC in the existing CIPET Campuses to avoid further delay. The amended revised SOP and DPR for establishment of PWMC at CIPET Centre is being prepared by CIPET. The Committee consider it a step in right direction in view of the benefits accruing out of the PWMCs

once they are established. As already a considerable time has elapsed, the Committee would desire DCPC/ CIPET to soon amend the revised SOP and DPR for establishment of PWMCs at CIPET Centres so the work for establishment of PWMCs is started and objectives of PWMCs are fulfilled. Needless to mention, the Ministry/Department should vigorously pursue the matter with the respective State Governments for allotment of the required land to establish PWMCs and apprise them of the progress made. In case land is not available in the identified States, the PWMCs should be offered to other States where the need exists.

CIPET- Short term and long term skill development training programmes

12. The Committee note that CIPET conducts Short Term and Long Term Skill Development Training Programmes. The Committee find placement figures for candidates after completion of CIPET Short Term training programme very discouraging. During 2020-21, out of 29,581 candidates admitted in the programme, 29,465 candidates were trained, however only 1886 candidates could be placed. Again, during 2021-22 and 2022-23, out of 34,208 and 36,536 candidates admitted, 34,027 and 36,422 (upto January, 2023) were trained and only 6,018 and 8,246 candidates, respectively were offered placements. The Committee would desire DCPC/CIPET to analyse seriously the reasons behind less placements in comparison to the total number of candidates trained and take appropriate steps to ensure much more placements.

13. The Committee also note that the number of candidates qualifying CIPET Long Term training programme is very low. During 2020-21 and 2021-22, out of the 13,297 and 13,494 candidates enrolled, only 4,263 and 4,562 candidates were qualified and 3,563 and 3,932 candidates, respectively were placed. The Department/CIPET, therefore, need to focus on the reasons for this sorry state of affairs. CIPET, being a specialized institute to develop manpower in different disciplines of Plastics Engineering & Technology and offering Programs in the field of Polymer Science & Technology to provide qualified Human Resources with entrepreneurship qualities for Polymer & Allied Industries, the Committee would like to be assured that DCPC/CIPET would extend all possible help to the talented youth to make them qualify

CIPET training programme and get better employment opportunities so that they can cater to the need of Polymer & Allied Industries.

Implementation of PCPIR Policy

14. The Committee note that that the Government had formulated the PCPIR Policy in April 2007 to give a boost to the Petroleum, Chemical and Petrochemical sectors. The Policy was notified to attract investment and for generation of employment in the Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). The concept of PCPIRs is based on cluster approach to promote these sectors in an integrated and environmental friendly manner on a large scale. So far, 4 PCPIRs have been notified viz. (i) Gujarat (Dahej) notified in the year 2009, (ii) Andhra Pradesh (Vishakhapatnam) in 2009, (iii) Odisha (Paradeep) in 2010 and (iv) Tamil Nadu (Cuddalore and Nagapattinam). It is, however, disappointing to note that the DCPC could commission PCPIR Dahej, Gujarat only in March 2017. PCPIR, Andhra Pradesh (Vishakhapatnam) and Odisha (Paradeep) are pending for want of environmental clearances due to procedural delays and require further time to get materialized. The Committee are not happy with such unsatisfactory performance as these PCPIRs were notified long back in the years 2009 and 2010. The Ministry/DCPC should make serious efforts for energising and strengthening their executive and monitoring wings. There should be closer and more intense interaction with the Ministry of Environment, Forest & Climate Change and the concerned State Governments at the highest level for obtaining the environmental clearances in respect of PCPIRs Andhra Pradesh (Vishakhapatnam) and Odisha (Paradeep) so that both the PCPIRs are commissioned at the earliest and the intended objectives of PCPIR Policy to attract investment and for generation of employment in the PCPIRs achieved.

15. In respect of Tamil Nadu (Cuddalore and Nagapattinam), the Committee have been informed that an area of about 23,000 hectares of land covered in 45 villages in Cuddalore and Nagapattinam districts were declared as "Local Planning Area" for the proposed PCPIR, vide Govt. G.O.

(Ms) No.108, H&UDD, Dated 20.06.2017, however, the Government of Tamil Nadu has now cancelled the declaration of "local Planning Area" vide Govt. G.O. (Ms) No 36, H&UDD, dated 21.02.2020 and the same has been published in Tamil Nadu Govt. Gazette. In view of the foregoing, the Committee would like to be apprised of the further plan of action of the DCPC with regard to setting up of PCPIR, Tamil Nadu.

16. A representative of DCPC admitted during evidence that the main reasons for not performing well in respect of PCPIR Policy is non-availability of required 'land'. Earlier the Department had notified area of about 250 square kilometers and as land is a scarce commodity acquiring it and notifying it for industrial purposes has become a challenge. The Committee note that the DCPC is in the process of reviewing PCPIR policy. After consultation with important stakeholders, particularly the State Governments, it has come to notice that instead of 250 square kilometer area of land with common infrastructure facilities, the Department can go for 5000 acres of land with common infrastructure facilities. Hence, the Department has decided to shift their focus on smaller area and proceed further in the matter. The Committee approve the idea of the Department that it should go for smaller piece of land to set up PCPIRs. As PCPIR Policy was envisaged in the year 2007 and only one PCPIR has been commissioned so far, the Committee urge the Government to take faster action in this regard and bring a revised PCPIR Policy at the earliest.

Quality Control orders for Chemicals

17. A representative of the DCPC submitted during evidence that quality of chemicals is a very important factor to consider. Chemicals and Petrochemicals sector is an unregulated sector and it is possible that spurious Chemicals are made available in the Country. In order to check the spurious Chemicals some standards are required and for that purpose Quality Control Orders(QCOs) are needed for various Chemicals. As on date, the DCPC has QCO in respect of about 61 Chemicals and a large number of Chemicals are still outside the purview of QCOs. The Committee consider it a matter of serious concern. Needless to say, the bottlenecks to bring all

the chemicals under Quality Control Orders have to be dealt with a sense of urgency and priority to ensure that customers do not get sick by use of spurious chemicals in the products. The Department has stated to be working in close collaboration with the Ministry of Consumer Affairs and Ministry of Environment, Forest and Climate Change which is implementing some of the international conventions. The Committee believe that continuous and dedicated efforts are required in this direction and trust that with combined efforts of all the stakeholders, success would be achieved and all the Chemicals brought under Quality Control Orders.

Harmonized system (HS) codes

18. The Committee have been informed that the DCPC has been able to get some Harmonized system (HS) codes modified and some duty rationalization done so far. The Department want a low duty rate on the raw materials and a higher duty rate on finished products. According to the Department the duty on Epichlorohydrin which is manufactured with crude glycerin has been reduced to 2.5 percent from 7.5 percent and for acid-grade fluorspar to 2.5 percent from 5 percent though the Department wanted it to reduce to zero and they aim to do so. The Committee applaud the efforts of the Department to get duty rates on raw materials reduced . Besides, there is stated to be a huge scope for misuse in the Chemical Sector and the Department has so far been able to get the coding for only a limited number of chemicals. The Committee would desire that the Department pursue the matter with the Ministry of Finance (Department of Revenue) for codification of maximum number of chemicals. The Committee consider this to be a step in right direction for minimising the risk of ill health caused by exposure to chemicals. The Committee would like to be kept informed of the progress made in this direction from time to time.

New Delhi;
20 March, 2023
29 Phalguna 1944 (Saka)

DR. SHASHI THAROOR
Chairperson,
Standing Committee on
Chemicals & Fertilizers.

SETTING UP OF PLASTIC WASTE MANAGEMENT CENTRES (AHMEDABAD, BENGALURU, PATNA AND VARANASI)

PWMC at Ahmedabad:

□ CIPET: IPT Ahmedabad had submitted project proposal to Municipal Commissioner, Amdavad Municipal Corporation (AMC), Ahmedabad for the Establishment of Plastics Waste Management Centre at Ahmedabad for which the Govt. of Gujarat has to provide 5.0 acres of land Free of Cost along with prefabricated structure having 4000 Sq. mtr. area for Shop Floor and on 17.03.2021.

□ A virtual meeting was held on 18.06.2021 with the Deputy Commissioner, AMC and the Director, (SWM), AMC for the discussion on the proposal for the establishment of Plastics Waste Management Centre at Ahmedabad. Further, a meeting with the Director (SWM), AMC was held on 25.06.2021 at his office to explain the same.

CIPET IPT Ahmedabad team visited AMC dumping site at Pirana and NEPRA with support of AMC Officials.

□ Secretary, DCPC, Govt. of India had issued the D.O. Letter dated 16.08.2021 to Shri Anil Mukim, IAS, Chief Secretary, Govt. of Gujarat for allotment of land for establishment of PWMC at Ahmedabad.

□ A meeting under the Chairmanship of Chief Secretary, Government of Gujarat, Sachivalaya, Gandhinagar was held on 20.08.2021. During meeting, Municipal Commissioner had asked about tangible benefit to Ahmedabad Municipal Corporation from the project and expressed his constrains to allot Land and infrastructure due to very high market rate of land near waste dumping site (i.e proposed location of PWMC).

□ Dy. Municipal commissioner office asked justification for proposed investment of AMC in tune of approximately rupees 60 crore towards land & infrastructure for 10-12 ton waste recycling proposed by CIPET vide letter dated

28.08.2021.

□ CIPET, Ahmedabad approached to AMC with reply to the queries asked by them in connection to PWMC vide letter dated 08.09.2021, but AMC did not respond.

□ AMC is looking for industrial scale solid waste recycling plant to handle 1000 tonnes per day, they are least interested for small capacity of 10 tonnes plant. CIPET:IPT- Ahmedabad suggested to grant ownership of land with infrastructure to municipal corporation/state government so that they may be interested to allot the land for PWMC. However, AMC is not in favour of allotment of land to establish PWMC.

□ Further, CIPET: IPT Ahmedabad had a discussion with Commissioner, Commissionerate of Industries, Govt. of Gujarat. It was told that he has no provision for allotment of land and infrastructure for the said project.

PWMC at Bengaluru:

□ CIPET: SARP APDDRL, Bengaluru had submitted project proposal to the Joint Commissioner, BBMP Head Office, Bengaluru for the Establishment of Plastics Waste Management Centre at Bengaluru for which the Govt. of Karnataka has to provide 5.0 acres of land Free of Cost along with prefabricated structure having 4000 Sq mtr area for Shop Floor and Academic vide letter dated 23.03.2020.

□ CIPET: SARP APDDRL, Bengaluru approached to BBMP for Allotments of suitable land for the same project vide letter dated 01.06.2020.

□ A D.O. letter dated 06.04.2021 was issued to Chief Commissioner, BBMP, Bengaluru by Addl. Secretary, DCPC, Govt. of India & Director General, CIPET.

□ The BBMP identified 5 acres of land at Kogile Quarry, Survey No. 99, Srinivasapura, Bengaluru. Based on the letter dated 06.04.2021 from Additional Secretary, MoC&F and Director General, CIPET to BBMP Chief Commissioner, all relevant documents related to PWMC land were forwarded to the BBMP Joint Commissioner (JC)-SWM. The file was then handed over to the Yelahanka JC, BBMP for further processing.

□ CIPET SARP- APDDRL, Bengaluru asked the status vide letter dated

28.08.2021 to the Joint Commissioner (SWM) of BBMP. The team APDDRL visited the BBMP Head Office on a daily basis and was unable to meet the Joint Commissioner (SWM), BBMP Head Office, Bengaluru. On 09.09.2021, understood from the Joint Commissioner (SWM) office, the letter marked to his technical team. In the mean time, CIPET Team had visited the site at Kogile, Quarry Area and found that the identified area is having large pits and will not be suitable for the purpose. On discussion, the Joint Commissioner (SWM), BBMP, Head Office, Bengaluru on 5th October, 2021, he referred to Mr. Pravin, Executive Engineer to visit the site at Viduthi. The team visited the new site after confirmation from the executive engineer.

□ CIPET: SARP APDDRL, Bengaluru has submitted the revised SOP and DPR to the following Officials for the establishment of PWMC at Bengaluru:

- The Joint Commissioner (SWM), Bruhat Bengaluru Mahanagara Palike (BBMP) Head Office, Bengaluru
- Dr. Harishkumar, IAS, Special Commissioner (SWM), BBMP Head Office, Bengaluru
- Shri Tushar Giri Nath, IAS, Chief Commissioner, BBMP, N.R Square, Bengaluru

The Head of CIPET: SARP APDDRL and his team are following with BBMP office. In response to the proposal and the SOP, the BBMP has agreed to sign a MoU to set up a Plastics Waste Management Centre. Further, the office of the Special Commissioner (SWM), BBMP, Bengaluru has informed that BBMP has taken it seriously to implement it on priority based on the funds availability, procedural approvals with time bound vide email dated 17.11.2022.

PWMC at Patna:

□ CIPET: CSTS Hajipur had submitted project proposal to the Secretary, Department of Industries, Govt, of Bihar for the Establishment of Plastics Waste Management Centre at Patna for which the Govt. of Bihar has to provide 5.0 acres of land Free of Cost along with prefabricated structure having 4000 Sq mtr area for Shop Floor and Academic vide Letter dated 14.02.2020 with a copy to

Municipal Commissioner, Municipal Corporation Patna (Bihar).

□ CIPET:CSTS Hajipur had submitted the proposal to the Secretary, Urban Development & Housing Department, Govt. of Bihar for the Establishment of PWMCat Patna vide Letter dated 17.10.2020 with a copy to Municipal Commissioner, Municipal Corporation Patna (Bihar).

□ CIPET:CSTS Hajipur had also submitted the proposal to The Municipal Commissioner, Patna for the Establishment of PWMC at Patna vide Letter dated 19.10.2020 with a copy to The Secretary, Urban Development & Housing Department, Govt. of Bihar.

□ The matter related to Establishment of Plastics Waste Management Centre at Patna was discussed in the 16th RAC meeting of CIPET: CSTS Hajipur held on 28.01.2021, under the chairmanship of Additional Chief Secretary (Industries), Govt. of Bihar. The proposal for establishment of PWMC at Patna was considered favorably. On subsequent follow up meeting called by the Commissioner, Patna Municipal Corporation on 29.01.2021, and agreed to provide 5 acre land with 4000 sqm constructed area at a suitable place.

□ A D.O. Letter dated 06.04.2021 was issued to Municipal Commissioner, Patna Municipal Corporation, Bihar by Shri Samir Kumar Biswas, Addl. Secretary, MoCF, DCPC, Govt. of India & Director General, CIPET.

□ A virtual meeting was held on 26.04.2021 with Patna Municipal Corporation to discuss on the proposal. CIPET team along with officials from Patna Municipal Corporation visited the proposed site on 02.06.2021 at Ramachak Bairiya, Patna and found suitable. In continuation to this, CIPET CSTS Hajipur submitted the requirement of PWMC and the proposed drawing / layout to Patna Municipal Corporation vide letter dated 04.06.2021.

□ Patna Municipal Corporation agreed in principle to set up a Plastics Waste Management Centre at Ramachak Bairiya, Patna vide approved letter dated 14.07.2021 and detailed meeting with Municipal Commissioner, Patna and other officials of the PMC on 18.08.2021 regarding establishment of PWMC at Patna. As suggested by them regarding ownership & operation of PWMC, the revised MoU for establishment & operation of PWMC at Patna was submitted for

approval of PMC. Secretary, DCPC, Govt. of India, issued the D.O. Letter dated 02.08.2021 to Chief Secretary, Govt. of Bihar for allotment of land for establishment of PWMC at Patna. The issue related to Establishment of Plastics Waste Management Centre at Patna was discussed in the 17th RAC meeting of CIPET: CSTS Hajipur held on 19th July 2022, under the chairmanship of Principal Secretary (Industries), Govt. of Bihar. The Director & Head of CIPET: CSTS Hajipur explained the status of the previous proposal submitted to the Patna Municipal Corporation and also informed about the modified DPR duly approved by the DCPC for consideration and support. In order to discuss the proposals submitted by CIPET, Principal Secretary (Industries), Govt. of Bihar had convened a meeting on 29th July 2022, where Commissioner, Patna Municipal Corporation was also invited; however, the meeting got cancelled due to some administrative reasons. CIPET: CSTS Hajipur in touch with the authorities to get the scheduled meeting reconvened at the earliest.

□ **PWMC at Varanasi:**

□ CIPET: CSTS Varanasi had submitted project proposal to Govt. of U.P vide dated 28.01.2020 for the Establishment of Plastics Waste Management Centre at Varanasi for which the Govt. of U.P. has to provide 5.0 acres of land Free of Cost along with prefabricated structure having 4000 Sq mtr area for Shop Floor and Academic.

□ CIPET CSTS Varanasi followed up with the office of Addl. Chief Secretary, MSME Deptt. to allot land also a letter is written by Addl. Secretary & Ex Director General vide letter dated 06.04.2022 and another letter is written by DG-CIPET vide letter dated 06.07.2022 to allot land but the same is not yet allotted.

□ However, the Govt. of Uttar Pradesh had agreed to process to give 2.20 acres of land to CIPET from the identified available 12.22 acres land at Dam Site adjacent to CIPET vide letter dated 17.11.2021. CIPET Varanasi had also given consent to allot

2.20 Acre adjoining to CIPET land.

□ This 12.22 acre land is presently allotted to Labour Deptt. and a Residential

School under Atal Aawasiya Yojana scheme is being established on 10.00 acres land and remaining 2.22 acre land is to be transferred to CIPET for PWMC. But officials of Atal Aawasiya Yojana stated that out of 12.22 acres only 10.44 acre land is available which is usable.

□ Further, follow-up was made with the Govt. of Uttar Pradesh to verify the land availability. The Addl. Chief Secretary, MSME directed for re-survey of 12.22 acres of land. A survey of land was done by officials of Govt. of UP, Revenue Deptt., Lekhpal etc. on 19.06.2022 and representatives of CIPET and Labour Department were also present.

□ As per survey report, the construction of Atal Aawasiya Yojna campus is being done on 10.44 acres of land and only 1.78 acres of land is remaining on both the side of the dam as a belt of narrow land in L-shaped and there is no regular shaped land available of 2.22 acres for CIPET PWMC Project. Therefore available land is insufficient and not suitable for establishing CIPET, PWMC at Varanasi.

□ As per the revised SOP approved by Govt. of India, the land required for the establishment of Plastic Waste management Centre is 2.0 to 3.0 acres and will operate on demonstrative mode.

□ Consequently, CIPET Varanasi also checked the availability of required land and suitable areas in the existing premises at CIPET: CSTS Varanasi after considering the land for Boys and Girls hostel with its future expansion and have identified 3 locations. Out of 3 locations, a suitable land has been identified in the existing campus of CIPET Varanasi and approved by CIPET Head Office.

□ CIPET Varanasi proposed Govt. of Uttar Pradesh for supporting the construction of prefabricated structure of 4000 sq. mtr shed with electricity; water and other civil infrastructure etc vide Letter dated 20.10.2022 in the existing campus of CIPET Varanasi.

**STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2022-23)**

Minutes of the Tenth Sitting of the Committee

The Committee sat on Tuesday, the 14th February, 2023 from 1410 hrs. to 1530 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Dr. Shashi Tharoor – CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Dibyendu Adhikari
3. Shri Deepak Bajj
4. Shri Kripanath Mallah
5. Shri Satyadev Pachauri
6. Shri Arun Kumar Sagar
7. Shri Pradeep Kumar Singh
8. Shri Uday Pratap Singh
9. Shri Parbhubhai Nagarbhai Vasava

RAJYA SABHA

10. Dr. Anil Jain

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri N. K. Jha | - | Director |
| 2. | Smt. Geeta Parmar | - | Additional Director |
| 3. | Shri Kulvinder Singh | - | Deputy Secretary |
| 4. | Shri Panna Lal | - | Under Secretary |

WITNESSES

**Representatives of the Ministry of Chemicals and Fertilizers
(Department of Chemicals and Petrochemicals)**

- | | | | |
|----|----------------------------|---|---------------------------------------|
| 1 | Shri Arun Baroka | - | Secretary, C&PC |
| 2 | Shri Sanjay Rastogi | - | AS &FA |
| 3 | Shri Deepak Mishra | - | Joint Secretary (PC) |
| 4. | Shri Susanta Kumar Purohit | - | Joint Secretary (C) |
| 5. | Ms. Divya Parmar | - | Economic Adviser |
| 6. | Shri Ganga Kumar | - | DDG |
| 7. | Shri H. Kam Suanthang | - | Joint Secretary (Admn/Vig) |
| 8. | Shri Avtar Singh Sandhu | - | Chief Controller of Accounts,
C&PC |

9.	Shri K. K. Srivastava	- Director (Chem)
10.	Shri Ram Sajeevan	- Director
11.	Dr. Shishir Sinha	- DG, CIPET
12.	Shri Sajeev B.	- CMD, HOCL and CMD, HFL
13.	Shri Yogendra Shukla	- DF, HOCL
14.	Shri Roopendra Kumar Shrivastava	- Accounts Officer, O/o WC, BGLD

2. At the outset, the Chairperson welcomed the representatives of the Department of Chemicals and Petrochemicals (DCPC), Ministry of Chemicals and Fertilizers to the sitting of the Committee convened to take oral evidence of the Department on 'Demands for Grants (2023-24)'. Their attention was then drawn to Direction 58 of the 'Directions by the Speaker' regarding confidentiality of the proceedings of the Committee.

3. The Secretary, DCPC then briefed the Committee through a Power Point Presentation on various aspects related to examination of Demands for Grants viz. the proposed budgetary allocations for the year 2023-24 *vis-à-vis* funds allocated to the Department, reasons for drastic cut in allocation of funds to the Department and how it would adversely affect various schemes/programmes of the Department, steps being taken to expedite implementation of various schemes/programmes of the Department; the major thrust areas of the Department during the year, etc. The reasons for reduction in allocation of funds during the FY 2022-23 at RE stage, under-utilization of the allocated funds during the year 2021-22, delay in setting up of Petroleum, Chemical and Petrochemical Investment Regions(PCPIRs), Plastic Parks and Plastic Waste Management Centres (PWMCs) etc. were also highlighted.

4. The Secretary, DCPC also informed the Committee about export/imports of Chemicals and Petrochemicals, Global Chemical Sales by Country, Growth Drivers for the Sector, Projected Market Size of Sector, FDI in Chemical Sector, Centers of Excellence (CoE), Chemical Promotion & Development Scheme (CPDS), Central Institute of Petrochemicals Engineering & Technology (CIPET)'s - National Presence, Objectives of the Institute of Pesticide Formulation Technology(IPFT), Accreditations of IPFT, HIL(India) Limited, Role of HIL in controlling Locust Attack (2019-20), Farmers Training Programmes (FTPs) conducted by HIL under Chemical Promotion Development Scheme (CPDS), Hindustan Organic Chemicals Limited (HOCL), Hindustan Fluorocarbons Limited (HFL), Bhopal Gas Leak Disaster (BGLD), Details of Compensation Disbursed, BIS Quality Control Orders (QCOs), Recent Engagements to resolve the issues of the Industry and some of the issues related to the Department of Agriculture & Farmers Welfare, Ministry of Environment, Forest and Climate Change and D/o Revenue, etc.

5. The Committee, thereafter, sought certain clarifications on the issues related to examination of Demands for Grants of the DCPC for the FY 2023-24 which *inter-alia* included drastic cut in the allocation of funds for New Schemes of Petrochemical & CIPET, loans and advances given to HFL, the present status of the setting up of Plastic Parks at Tamot Madhya Pradesh and PWMC, usage gap between the import and export of petrochemicals and steps to bridge the gap, a

comparative statement of setting up of Plastic Parks and Centers of Excellence, present status of PCPIRs, physical & financial targets under various schemes, reasons for shortfall in utilization of allocated funds by HOCL & steps taken thereon, details of CSR funds of HOCL etc.

6. The representatives of the Department replied to some of the queries of the Members. As some points required detailed and statistical information, the Chairperson asked the Secretary, DCPC to furnish written replies to the queries raised by the Members which remained unanswered during the sitting of the Committee, within two days.

(The witnesses then withdrew)

[A verbatim record of the proceedings was kept on record]

The Committee then adjourned.

**STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2022-23)**

Minutes of the Twelfth Sitting of the Committee

The Committee sat on Monday, the 20th March, 2023 from 1600 hrs. to 1630 hrs. in Committee Room No. 3, Block 'A', Parliament House Annexe Extension Building, New Delhi.

PRESENT

DR. SHASHI THAROOR- Chairperson

MEMBERS

LOK SABHA

- | | |
|----|-------------------------------------|
| 2 | Shri C.N. Annadurai |
| 3 | Shri Deepak Baij |
| 4 | Shri Prataprao Patil Chikhalikar |
| 5 | Shri Rajeshbhai Naranbhai Chudasama |
| 6 | Dr. Sanjay Jaiswal |
| 7 | Shri Ramesh Chandappa Jigajinagi |
| 8 | Shri Satyadev Pachauri |
| 9 | Smt. Aparupa Poddar |
| 10 | Shri Uday Pratap Singh |
| 11 | Shri Parbhubhai Nagarbhai Vasava |

RAJYA SABHA

- | | |
|----|----------------------------|
| 12 | Dr. Anil Jain |
| 13 | Shri Ram Nath Thakur |
| 14 | Shri Vijay Pal Singh Tomar |

SECRETARIAT

- | | | | |
|----|------------------------|---|---------------------|
| 1. | Shri Vinay Kumar Mohan | - | Joint Secretary |
| 2. | Shri Nabin Kumar Jha | - | Director |
| 3. | Smt. Geeta Parmar | - | Additional Director |
| 4. | Shri Kulvinder Singh | - | Deputy Secretary |
| 5. | Shri Panna Lal | - | Under Secretary |

2. The Chairperson took up for consideration the following Draft Reports and adopted the same with minor modifications:

- | | | | | |
|-------|---|-----|-----|-----|
| (i) | XXX | XXX | XXX | XXX |
| (ii) | Demands for Grants 2023-24 of the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers and | | | |
| (iii) | XXX | XXX | XXX | XXX |

3. The Committee then authorized the Chairperson to finalize the Reports and present/lay the Reports in both the Houses of Parliament in light of factual verifications received from the concerned Ministry/Departments.

The Committee then adjourned.