

22

**STANDING COMMITTEE ON
CHEMICALS AND FERTILIZERS**

(2025-26)

(EIGHTEENTH LOK SABHA)

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

**DEMAND FOR GRANTS
(2026-27)**

TWENTY-SECOND REPORT



सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

March, 2026/ Phalguna, 1947 (Saka)

TWENTY-SECOND REPORT

**STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS
(2025-26)**

(EIGHTEENTH LOK SABHA)

MINISTRY OF CHEMICALS AND FERTILIZERS

(DEPARTMENT OF CHEMICALS AND PETROCHEMICALS)

**DEMAND FOR GRANTS
(2026-27)**

Presented to Lok Sabha on 13 March, 2026

Laid in Rajya Sabha on 13 March, 2026



LOK SABHA SECRETARIAT

NEW DELHI

MARCH, 2026/ PHALGUNA, 1947 (SAKA)

CONTENTS

		PAGE
COMPOSITION OF THE COMMITTEE (2025-26)		(iv)
INTRODUCTION		(v)
PART - I	NARRATIVES	
	INTRODUCTORY	1-37
	<ul style="list-style-type: none"> i. Proposed and Approved Financial Outlays of The Department of Chemicals and Petrochemicals (DCPC) for the financial year 2026-27 ii. Budget Estimate, Revised Estimate and Actual expenditure of the Department iii. Scheme-wise Analysis - New Scheme of Petrochemicals (NSP) – Setting up of Plastic Parks iv. Setting up of Centres of Excellence (CoEs) v. Funds sought and allocated during the last three years under NSP vi. Chemical Promotion and Development Scheme (CPDS) vii. Central Institute of Petrochemical Engineering and Technology (CIPET) viii. Plastics Waste Management Centres (PWMCs) ix. Institute of Pesticide Formulation Technology (IPFT) x. Public Sector Undertakings (PSUs) xi. Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) xii. Foreign Direct Investment (FDI) xiii. Chemicals and Petrochemicals Industry xiv. Future initiatives (Budget Highlights) 	
PART – II	OBSERVATIONS AND RECOMMENDATIONS	38-49
	ANNEXURE	
I	Status of 18 CoEs approved under the New Scheme of Petrochemicals (NSP) for setting of CoEs	50-51
	APPENDICES	
I.	Minutes of Sitting of the Standing Committee on Chemicals & Fertilizers (2025-26) held on 26 th February, 2026.	52-55
II.	Minutes of Sitting of the Standing Committee on Chemicals & Fertilizers (2025-26) held on 12 th March, 2026.	56

**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS AND
FERTILIZERS
(2025-2026)**

Shri Azad Kirti Jha - Chairperson

**MEMBERS
LOK SABHA**

2. Shri Brijmohan Agrawal
3. Shri Ajay Bhatt
4. Shri Robert Bruce C.
5. Shri Bharatsinhji Shankarji Dabhi
6. Smt. Kriti Devi Debbarman
7. Dr. Kalyan Vaijinathrao Kale
8. Shri Malvinder Singh Kang
9. Shri Babu Singh Kushwaha
10. Shri Utkarsh Verma Madhur
11. Shri Praveen Patel
12. Dr. Sambit Patra
13. Shri Balram Naik Porika
14. Shri Sachithanantham R.
15. Shri Eatata Rajender
16. Shri Rajesh Ranjan
17. Shri Daggumalla Prasada Rao
18. Shri Tharaniventhan M.S.
19. Shri Nalin Soren
20. Shri Shivmangal Singh Tomar
21. Vacant*

RAJYA SABHA

22. Shri Naresh Bansal
23. Shri Subhash Barala
24. Dr. Bhagwat Karad
25. Shri Rwngrwa Narzary
26. Shri Subhash Chandra Bose Pilli
27. Shri Arun Singh
28. Shri Akhilesh Prasad Singh
29. Shri Tejveer Singh
30. Shri G.K. Vasam
31. Vacant

* Vacant *vice* Dr. Ricky Andrew J. Syngkon, MP(LS), passed away on 19.02.2026 *vide* LS Table Office Notification No.21/4(8)/2026/TO(B) dated 20.02.2026.

SECRETARIAT

- | | | | |
|----|----------------------|---|-----------------------------|
| 1. | Smt. Maya Lingi | - | Joint Secretary |
| 2. | Ms. Miranda Ingudam | - | Director |
| 3. | Shri Kulvinder Singh | - | Deputy Secretary |
| 4. | Smt. Vandana Rawat | - | Assistant Executive Officer |

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals & Fertilizers (2025-26) having been authorized by the Committee do present on their behalf this Twenty-Second Report (Eighteenth Lok Sabha) on 'Demand for Grants (2026-27)' pertaining to the Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals.

2. The Committee considered the Demand for Grants (2026-27) pertaining to the Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals for the Financial Year 2026-27 which were laid on the Table of the House on 13th February, 2026. After obtaining the Budget documents and Explanatory Notes, the Committee took evidence of the representatives of the Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals on 26th February, 2026. The Committee considered and adopted the Report at their sitting held on 12th March, 2026.

3. The Committee wish to express their thanks to the Officers of the Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals 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;
12 March, 2026
21 Phalguna, 1947 (Saka)**

**Azad Kirti Jha
Chairperson,
Standing Committee on
Chemicals and Fertilizers**

REPORT

PART – I

[NARRATIVES]

I INTRODUCTORY

1. The aims of the Department of Chemicals and Petrochemicals are 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 above- mentioned sectors of the industry.

2. 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

3 The Department has five major divisions viz. Chemicals, Petrochemicals, Administration, Statistics & Monitoring and Economic Division. The Integrated Finance Division is common to the three Departments in the Ministry of Chemicals and Fertilizers.

4 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 (Note: HFL is not currently operational). Two autonomous institutes namely Central Institute of Petrochemicals Engineering & Technology (CIPET) and Institute of Pesticides Formulation Technology (IPFT) function under this Department.

Vision of the Department of Chemicals and Petrochemicals

5 With the objective of achieving the vision of Viksit Bharat, the Department seeks to focus on enhancing the production of chemicals and petrochemicals in the country and to reduce India's dependence on imports. This includes taking steps to promote the manufacturing of chemicals and petrochemicals in the country, fostering innovation and technological advancement, promoting the adoption of sustainable practices, increasing the availability of skilled manpower and taking steps to improve safety measures in the sector.

6. The detailed Demands for Grants for FY 2025-26 of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) were laid on the table of Lok Sabha on 13.02.2026 Budget Estimates (BE) for the Demand No. 5 pertaining to the Department of Chemicals and Petrochemicals are as follows:

(₹ in crore)

Expenditure Head	Budget Estimate
Revenue	184.70
Capital	1.02
Total	185.72

I. PROPOSED AND APPROVED FINANCIAL OUTLAYS OF THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (DCPC) FOR THE FINANCIAL YEAR 2026-27

7. As regards the details with regard to the proposed amount for each scheme of the Department of Chemicals and Petrochemicals for the year 2026-27 and the amount actually approved by the Ministry of Finance (MoF), the Department furnished the detailed information in a tabular form which is given as under:-

Sr. No.	Name of the Scheme	Projected BE 2026-27	Allocated BE 2026-27	Comments
I	Central Sector Schemes			
	Other New Schemes of Petrochemicals	61.00	52.50	As decided in the Pre-budget Meeting of Ministry of Finance, after the EFC/SFC appraisal and approval of competent authority for continuation of schemes for the next five-year period, the requirement of additional funds, if any,
II	Other Central Expenditure (Sectt/BGLD/ABs/PSUs)			
2.1	Secretariat/Economic Services	33.04	28.20	
2.2	Central Institute of Petrochemicals Engineering & Technology (CIPET)	70.00	70.00	
2.3	Institute of Pesticides	9.15	8.94	

	Formulation Technology (IPFT)			may be considered at RE stage.
2.4	Bhopal Gas Leak Disaster (BGLD)	26.57	26.08	
	Total (II)	138.76	133.22	
	Grand Total (I + II)	199.76	185.72	

(Rs.in Crore)

It may be seen that the Department had projected a BE of Rs. 199.76 crore for the year 2026-27 but has been allocated an amount of Rs. 185.72 crore. Thus, an amount of Rs. 14.04 has reduced from the BE of Rs. 199.76 crore for the year 2026-27.

8. When asked about the reasons for the comparatively lower Budget Estimates (BE) of Rs. 185.72 crore for financial year 2026-27 which was Rs. 259.11 crore during the year 2024-25 and Rs. 194.05 crore during the year 2025-26, the Department furnished that the allocation during the financial year 2023-24 and 2024-25 was higher due to provision of Govt. Loan to HIL(INDIA) Ltd. Further, in addition to it, in financial year 2026-27 there is less demand for funds from the autonomous bodies i.e. CIPET and IPFT.

II Budget Estimate, Revised Estimate and Actual expenditure of the Department

The BE and RE for the years 2023-24, 2024-25, 2025-26 and 2026-27 of the Department and the actual utilization of funds thereof is stated to be as follows:-
(Rs. In crore)

Year	BE	RE	Actuals
2023-24	173.45	572.63	474.67
2024-25	259.11	261.99	256.38
2025-26	194.05	185.57	140.29 (as on 28.01.2026)
2026-27	185.72		

9. On being asked to furnish the reasons for variation in the BE sought by the Department for the year 2023-24, 2024-25 and 2025-26 which was Rs. 173.45 crore, Rs. 259.11 crore and Rs. 194.05 crore respectively, the Department in its written reply submitted that an amount of Rs.173.45 crores was allocated to the Department in BE 2023-24, which was substantially increased to Rs.572.63 crores (net) in RE due to budget provision of Govt. loan of Rs.486.74 crores to HIL(INDIA) Ltd. In 2024-25 also the BE of Rs.259.11 crore was having a component of Rs.120.06 crore as Govt. loan to HIL(India). In 2025-26 the BE does not have component of Govt. loan hence appears less than BE of earlier years.

10. When asked that RE of the Department is showing a declining trend for the last

years consecutively. In their written submission, the Department have submitted that the declining trends in RE for the last three years is mainly due to one time Budget provision of Loan to HIL(India) Ltd. in Financial Year (FY) 2023-24 and Financial Year 2024-25, hence in Financial Year 2025-26 it appears to be lesser.

11. The Committee then desired to know about the declining trend in the Department's actual expenditure. In their written reply, the Department clarified that the actual expenditure for the last three years is in accordance to the RE allocation. Since the RE for the FY 2023-24 and 2024-25 were having a onetime budget provision of Loan to HIL(India) Ltd, hence it appears to be in the higher side in comparison to FY 2025-26. An amount of Rs.256.38 crores was utilized for the FY 2024-25 against the allocated RE of Rs.261.99 crores which is approx. 97.85 % of the allocated RE 2024-25.

12. When asked about the slow pace of fund utilization for the financial year 2025–26 as the actual expenditure up to 28.01.2026 stands at Rs. 140.29 crore against the Revised Estimates (RE) of Rs. 185.57 crore, in a written reply the Department has submitted that as on 20.02.2026, the Department has utilized an amount of Rs.149.45 crores against the allocated RE of Rs.185.57 crores which is approx. 80.53 % of the allocated RE 2025-26 and the Department will make its best efforts to fully utilize the funds allocated in RE 2025-26.

13. To a specific query of the Committee that the Department has sought an amount of Rs. 185.72 crore as Budget Estimates (BE) for FY 2026–27, which is lower as compared to the allocations in the preceding two years, the Department in its written reply submitted that the allocation during the FY 2023-24 and 2024-25 was higher due to provision of Govt. Loan to HIL(INDIA) Ltd. Further, in addition to it, in FY 2026-27 there is less demand for funds from the autonomous bodies i.e. CIPET and IPFT.

III. Scheme-wise Analysis - New Scheme of Petrochemicals (NSP)

A. Scheme for Setting up of Plastic Parks

14. The Committee informed that Scheme for Setting up Plastic Parks in a sub scheme of New Scheme of Petrochemicals which seeks to provide enabling facilities for the setting up of plastic production units using a cluster-based approach. The objective is to consolidate and synergise the capacities of the downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment and will contribute to increased investment, production, and employment as it facilitates the establishment of need-based Plastic Parks with common infrastructure, which can reduce costs and entry barriers for plastic processing units and thereby attract private investment. The establishment of Plastic Parks will also generate direct employment in manufacturing units and indirect employment in logistics, utilities and support services.

15. When asked about the expected economic benefits for the downstream plastic processing industry under the scheme, the Department submitted as under:-

- a. Reduction in capital and operating costs through shared infrastructure and common facilities.
- b. Improved productivity, quality standards and enhanced employment in the plastic sector.
- c. Enhanced competitiveness of Indian plastic products in domestic and export markets.
- d. Balanced regional industrial development and sustainable growth of the sector

16. The Committee was further informed that the Government of India provides grant funding up to 50% of the project cost subject to a ceiling of Rs. 40 crore per project. The Committee then desired to know as to how the 50% grant funding is disbursed and what are the project cost components considered; the Department in their written reply submitted that the Government of India provides a grant-in-aid up to 50% of the approved project cost, subject to a maximum ceiling of Rs. 40 crore per project, for setting up Plastic Parks. The grant is released to the Special Purpose Vehicle (SPV) in four instalments, linked to achievement of prescribed milestones, as follows:

- a. 20% of the approved grant as a mobilisation advance after final approval of the project, achievement of financial closure and submission of the requisite bank guarantee.
- b. 35% as the second instalment upon utilisation of at least 60% of the first instalment and proportionate expenditure by the SPV.
- c. 35% as the third instalment upon utilisation of 100% of the first instalment and at least 60% of the second instalment, along with allotment of a minimum 25% of plots.
- d. 10% as the final instalment after full utilisation of the SPV's share of funds and when at least 50% of the units in the Plastic Park become operational.

Release of grant is subject to submission of audited accounts, utilisation certificates and compliance with General Financial Rules (GFRs).

The eligible project cost includes expenditure on common infrastructure and enabling facilities such as internal roads, power and water supply, effluent and waste management systems, common facility centres for testing, tooling, R&D, training, incubation and recycling, as well as limited project management expenses as per scheme norms. Cost of land and plant & machinery for individual units is excluded from the project cost.

17. When asked about the process for monitoring and tracking the progress of establishment of Plastic Parks, the Department submitted in affirmative and also submitted that the Department has been regularly monitoring the implementation of

the various projects, including through site visits, review meetings at different levels as well as regular progress reports submitted by the SPVs. Best efforts are being made to ensure the timely completion of the projects and to populate the Parks at the earliest. Based on the efforts made, significant progress in terms of infrastructure development has been made in these Plastic Park projects. In the last two years, the infrastructure development has been completed in 4 Plastic Parks. There has been a marked increase in the number of plots allotted to the units.

18. The Committee desired to be apprised of the status of 10 Plastic parks, the Department submitted the same in the following manner:-

S.No.	Location of Plastic Parks	Date of Commencement	Target date of Completion	% of work completed Overall Progress in Physical Infrastructure (Civil work)	% of work pending	Likely date of Completion	Reason for non-completion	Cost overrun due to delay	Corrective steps taken if any.	No. of Plots	No. of plots allotted so far
1.	Tamot, MP	Oct., 2013	Oct., 2016	100	NA	NA	NA	Nil*	Efforts are being made to increase the pace of allotment. Regular monitoring is being undertaken by the Department.	172	33
2.	Paradeep, Odisha	Oct., 2013	Oct., 2016	100	NA	NA	NA	Nil*	Efforts are being made to increase the pace of allotment. Regular monitoring is being undertaken by the Department.	81	46
3.	Tinsukia, Assam	Feb., 2014	Feb., 2017	96	4	June, 2026	Delay in completion of infrastructure due to local unrest and the unwillingness of contractors to participate in the bidding process.	Nil*	Regular monitoring is being undertaken to get the project completed at the earliest.	104	84
4.	Deoghar, Jharkhand	December, 2018	December, 2021	91	9	June, 2026	Delay in the completion of infrastructure work by the State Agency.	Nil*	Regular monitoring is being undertaken to get the project completed at the earliest.	102	Nil

5.	Bilaua, Madhya Pradesh	December, 2018	December, 2021	100	NA	NA	NA	Nil*	Regular monitoring is being undertaken to get the project completed at the earliest.	108	5
6.	Tiruvallur, Tamil Nadu	September, 2019	September, 2022	84 (Stayed due to NGT)	16 (Stayed due to NGT)	NA (Stayed due to NGT)	As directed by the Hon'ble National Green Tribunal (NGT), the project implementation is kept in abeyance and the status quo is maintained since 20.01.2022. TPIPL has appealed before the Hon'ble Supreme Court, praying to quash the judgment of the Hon'ble NGT.	Nil*	The matter is being taken up by the State Government in the Hon'ble Supreme Court.	65	Nil
7.	Sitarganj, Uttarakhand	December, 2020	December, 2023	67	33	October, 2026	The infrastructure work was delayed due to issues with the contractor and due to the pandemic.	Nil*	Regular monitoring is being undertaken to get the project completed at the earliest.	81	41
8.	Raipur, Chhattisgarh	April, 2021	April, 2024	100	NA	NA	NA	Nil*	Efforts are being made to increase the pace of allotment. Regular monitoring is being undertaken by the Department.	48	38
9.	Ganjimutt, Karnataka	January, 2022	January, 2027	83	17	January, 2027	NA	Nil*	NA	66	Nil
10.	Gorakhpur, Uttar Pradesh	July, 2022	July, 2027	62	38	July, 2027	NA	Nil*	NA	92	62

*As per the Scheme Guidelines, the contribution of the Central Government would be restricted to the amount approved in the DPR.

19. It may be seen that the no. of plots available in the Plastic Parks have not been allotted so far and there is huge difference between the available plots and the plots actually allotted. In the Plastic Park at Tamot, Madhya Pradesh, Paradeep Odisha, Tinsukia, Assam 172, 81 and 104 plots are available. Out of which only 33, 46 and 84 plots have been allotted so far. Similarly, at Plastic Park Bilaua, Madhya Pradesh, Sitarganj, Uttarakhand, Raipur, Chhattisgarh and Gorakhpur, Uttar Pradesh 108, 81, 48 and 92 plots are available. out of which only 5, 51, 38 and 62 plots have been allotted so far whereas in the case of Plastic Park at Deoghar and Ganjimmutt, Karnataka 'Nil' plots could be allotted out of 102 and 66 plots available.

20. When enquired about current status of Plastic Park functional at Sitarganj Uttarakhand, the Department in written reply submitted that the Sitarganj Plastic Park, Uttarakhand, was approved in December, 2020. The Park has achieved 67% overall progress in physical infrastructure (civil work) and is expected to be completed by October, 2026. Of the central grant share, 90% has been released. The balance 10% will be released as per the scheme guidelines (once 50% of the units in the Plastic Park become operational). There are 81 Plots, of which 41 Plots have been allotted with none operational. Industrial activity is yet to commence in the Plastic Park.

21. Responding to a serious concern over nil allotment of plots in Plastic Park at Deogarh, Tiruvallur and Ganjimmutt Plastic Parks. The Secretary apprised the Committee as under:-

“सर, प्लास्टिक पार्क्स के तहत अभी 51 यूनिट्स फंक्शनल हैं और हमारी कोशिश यही है कि इसमें प्लॉट की सेल और यूनिट्स की स्थापना को हम ज़्यादा से ज़्यादा बढ़ावा दें। स्टेट गवर्नमेंट्स भी इसमें प्रयास कर रही हैं जैसे मध्य प्रदेश का तो मुझे मालूम है कि वे जहाँ भी जाते हैं, कोई भी उनका इंडस्ट्रियल इवेंट होता है तो उसमें वे इसको शेकेस करते हैं। अभी बिलौआ का जो पार्क है, उसका इंफ्रास्ट्रक्चर उन्होंने बहुत तेज़ी से पूरा करके हर जगह वे उसकी मार्केटिंग कर रहे हैं। सर, स्टेट्स कोशिश कर रहे हैं। तमिलनाडु में स्टे लगा हुआ है। इसके अलावा गोरखपुर और कर्नाटक वाला जो गंजिमठ है, ये पार्क्स चूंकि 2022 में अप्रूव हुए हैं और पाँच साल की इनकी अवधि है, इसलिए इनका 2027 तक का टाइम है, लेकिन हमारी कोशिश है कि गंजिमठ का इंफ्रास्ट्रक्चर तीन महीने में पूरा हो जाएगा और वे प्लॉट की सेल भी खोलेंगे। गोरखपुर में केवल एक बिल्डिंग का निर्माण बचा है, बाकी उन्होंने पूरा कर लिया है। उसमें लगभग छह महीने लगेंगे।”

22. To certain queries of the Committee like no. of operational Plastics Parks, procedure to identify the actual end-users, measures taken by the Department to expedite the allotment of plots, any procedure to identify the actual end-users of these allotted parks and whether any module or mechanism been introduced for the sale of plots, the Department in written replies submitted that out of the 309 plots and 15 sheds allotted across 7 Plastic Parks, 31 units on 48 plots and 11 units in 15 sheds are presently operational. The remaining allotted units are at various stages of implementation. The pace of allotment and operationalization is influenced by factors such as the time required for construction and commissioning by the units. The Department has been emphasizing transparent, time-bound, and industry-friendly allotment procedures to ensure optimal utilization of the infrastructure created under the scheme.

To accelerate allotment and operationalization, priority is being given to the completion of core infrastructure and common facilities to enhance investor confidence. State Governments and respective Special Purpose Vehicles (SPVs) are conducting roadshows and industry interactions, and coordinating with industry associations to promote available plots and attract anchor units. Regular review meetings are held with State Implementing Agencies to monitor progress and resolve bottlenecks. States have also been advised to rationalise plot sizes and offer competitive pricing to make the parks more attractive to industry. The Ministry continues to closely monitor the progress of all approved Plastic Parks in coordination with State Governments and SPVs.

23. When Committee desired to know whether any instances of investors getting the plots in Plastic Parks have come to the notice and steps taken by the Department to ensure that only genuine buyers get the plots allotted, the Department in written reply submitted that no instances of investors obtaining plot allotments in Plastic Parks in violation of the prescribed norms have come to the notice of the Department. The allotment of plots in Plastic Parks is undertaken by the respective State Governments and/or the Special Purpose Vehicles (SPVs) in accordance with their approved land allotment policies, guidelines, and eligibility criteria. These policies generally require applicants to demonstrate their intent and capacity to establish and operate manufacturing units as per their guidelines.

24. On being asked about the contribution of scheme for employment generation in the Plastic sector and whether the Department had fixed any specific targets for the employment generation, the Department submitted that the Scheme for Setting up of Plastic Parks is expected to contribute to employment generation in the plastics sector by promoting investment, expansion of manufacturing capacity and cluster-based industrial development. However, the Scheme does not prescribe specific numerical targets for employment generation, as employment creation depends on the nature and scale of units established in each park. Employment generated under the Scheme is primarily industry-driven and includes both direct and indirect employment. It is submitted that there is no uniformity in the units working in the plastic industry, with firms producing different kinds of products, utilizing different technologies and ranging from small/ medium to large-scale units. As such, it is not feasible to set targets for employment in the Plastic Parks.

25. The Secretary further elaborated on the issue as under:-

“सर, इसमें रोजगार का हमारा कोई ऐसा टारगेट तो नहीं है, पर यह बात जरूर है कि अगर वहां इंडस्ट्रीज़ आएं तो उसमें रोजगार मिलेगा, क्योंकि प्लास्टिक इंडस्ट्री छोटी इंडस्ट्री होती है। इसमें कई बार बहुत कम लोगों की, जैसे 5-7 लोगों की भी यूनिट्स लग जाती हैं और कई बार बहुत बड़ी यूनिट्स लगती हैं। इसमें हमने रोजगार का टारगेट फिक्स नहीं किया है। हमारा फोकस इस बात पर था कि इंडस्ट्री को इंफ्रास्ट्रक्चर क्रिएट करके एक सुविधा दे दी जाए कि अगर कोई इसमें आना चाहते हैं तो यहां पर आकर अपनी इंडस्ट्री लगा सकते हैं।”

26. Park wise employment generation data was stated to be as under:

S.No.	Location	Employment Generated (Persons)
1.	Tamot, Madhya Pradesh	274
2.	Paradeep, Odisha	295
3.	Tinsukia, Assam	626
4.	Gorakhpur, Uttar Pradesh	270
	Total	1465

IV Scheme for Setting up of Centres of Excellence (CoEs)

27. The Committee were informed that the Department implements the scheme for setting up Centres of Excellence (CoE), under which the Department provides grant-in-aid to identified research institutes with the objective of improving the existing technology and research in the country and to promote the development of new applications in the field of Chemicals and Petrochemicals.

28. The CoEs are set up with an aim to help in the development of new products, new applications, innovation and improvement of technology, process innovation, quality and environmentally sustainable development, etc. Institutions through this project are expected to interact and pass on their research findings and expertise to the industry for modernization of the industry. So far, the 18 CoEs approved under the scheme, in total has filed 80 patents and have developed 96 technologies/products, of which 35 have been transferred to the Industry.

29. The Committee then desired to know whether any specific targets have been fixed for setting up of more CoEs, the Department submitted that the Scheme seeks to provide grant-in-aid to Government educational and research institutions to undertake research to improve existing technology and promote the development of new applications. The Department reviews the requirements of the Sector and accords approval for new CoEs based on the needs of the industry and the quality of research proposals received. The Standing Finance Committee, in its meeting of October, 2021, approved setting up of 11 new CoEs. Out of these 11 new CoEs, the Department had approved 2 CoEs in 2022 and 5 CoEs in 2024.

30. On being asked about financial support which Government of India provide for CoE projects, the Department had submitted that the financial support from the Government of India is for 50% of the total project cost, subject to an upper limit of Rs.5 crore. The balance will have to be met from the resources of the applicant institute and its partners. The scheme for setting up Centres of Excellence supports research institutes with the objective of improving the existing technology and research in the country, and to promote the development of new applications in the field of Chemicals and Petrochemicals.

31. On a specific query of the Committee regarding reviewing the functioning of CoEs, the Department submitted that the Project Monitoring Committee under the chairmanship of Deputy Secretary, DCPC, set up under the scheme, reviews the

working of the CoE through online or physical visits. The CoEs are also reviewed by the Project Sanctioning Committee chaired by Secretary (DCPC), to consider release of the 2nd/3rd instalment of grant. The Department also reviews the progress of the CoEs through quarterly reports on details of patents filed/technologies/products developed. Apart from above, the CoEs are regularly monitored by the Department through review meetings under the chairmanship of Secretary/Joint Secretary/Deputy Secretary.

32. It was further submitted that the Scheme seeks to provide grant-in-aid to educational and research institutions to undertake research to improve existing technology and promote development of new applications. The CoEs are set up with an aim to help in development of new products, new applications, innovation and improvement of technology, process innovation, quality and environmentally sustainable development, etc. The Department reviews the requirements of the Sector and accords approval for new CoEs based on the needs of the industry and the quality of research proposals received. Further, the industry independently undertakes its own research and development activities to foster innovation, enhance technological capabilities, and improve product quality and process efficiency in line with evolving market and regulatory requirements.

33. On being asked about specific queries viz types of institutions eligible for receiving grant-in-aid under the scheme; how industries apply for the grant funding of up to Rs. 5 crore per project; criteria used to identify research institutes for receiving grants and the process for research institute to apply for the 50% grant-in-aid funding, the Department in its written submissions submitted as under

“Under the Scheme, funding is given to existing government educational and research institutions working in the field of chemicals/ petrochemicals. The essential criteria are as follows:

- a. Existing Central or State Government University, Government organizations with a proven track record of academic excellence or research.
- b. The institution should be currently engaged in research and development activities in the chemical/ petrochemical sector, as indicated by publications, research projects, consultancy assignments and registered PhD candidates.
- c. It should have adequate infrastructure in terms of land and building, to house the Centre of Excellence including, research scholars, equipment, plant/ machinery to be purchased from the grant.
- d. The institute should have sufficient/ competent manpower/ research staff who could be engaged in the field in which the Centre of Excellence is proposed to be set up.

The projects that have an industrial partner for promoting the applied research, technology transfer and commercialization would be preferred.

The applications are invited from all eligible institutions, the institutes may fill the prescribed proforma and submit research proposals on specific topics/ areas.

The Team Leader of the proposed centre prepares the Project Report and submits it to the Head of the institution, who, after evaluating it at his/ her level for qualitative improvements, submits it to DCPC with his/ her specific recommendations. He/ she will make observations on past achievements of the identified centre, its position in existing research, availability of infrastructure, potential for growth and requirements for additional support.

The project proposals received from the institutes are evaluated by an Expert Committee, chaired by the Joint Secretary, DCPC and having members from academia and industry. The Expert Committee makes recommendations regarding the selection of the Centre based on the relevance of work, current research status of the applicant institute, the quality and expertise of the team, depth of collaboration with the industry and the requirements proposed. Thereafter, the proposals recommended by the Expert Committee are placed before the Project Sanctioning Committee, chaired by the Secretary, DCPC. The criteria used for evaluating the research proposals include relevance of the topic to the chemical and petrochemical sector; relevance to industry; measurable outcome with sustainable impact; differentiated research hypothesis; IPR potential; and potential for commercialization”.

34. When asked about the details of 18 CoEs currently functioning in the country, the Department submitted the information placed at **Annexure I:-**

V New Schemes of Petrochemicals (NSP)

Funds sought & allocated during last three years under NSP.

The details of funds sought, allocated and utilized during the last three years is as follows:

Financial Year	Grants Proposed	Actual allocation		Actual Utilization
		B.E.	R.E.	
2023-24*	35.93	22.00	18.00	18.00
2024-25	42.30	25.00	33.50	33.49
2025-26	50.50	50.50	45.50	34.78 (upto 28.01.2026)
2026-27		52.50		

*From FY 2023-24 onwards CPDS has been merged as a sub-scheme under NSP scheme.

35. When asked that the Department could utilize only 34.78 crore upto 28.01.2026 against RE of Rs. 45.50 crore for the year 2025-26 which is approx. 76.44, the Department replied that so far as New Scheme of Petrochemicals [Scheme for setting up of Plastic Parks and Scheme for setting up of Centres of Excellence (CoEs)] is concerned, Department’s actual expenditure is Rs.36.07 crore till 20.02.2026 out of RE of Rs.40 crore. The actual expenditure of the scheme (including CPDS component) is Rs 39.91 crore till 20.02.2026 out of the RE of Rs. 45.50 crore.

36. When asked that the Department has sought an amount of Rs. 52.50 crore as

BE 2026-27 under NSP which is on higher side as compared to last two years, the Department submitted that so far as New Scheme of Petrochemicals is concerned, the allocated budget for 2026-27 is Rs.47.55 crore. Many of the Plastic Park projects are likely to complete the work of infrastructure creation. Besides, 5 new CoEs were approved in September, 2024. Based on the same, additional funds were sought for the Scheme. The department will make all the necessary efforts to utilize the funds allotted optimally in 2026-27.

37. The Committee were informed that a comprehensive review of the Guidelines was undertaken to ensure effective implementation. During the review, based on feedback received from CoEs and stakeholders, the following points were observed and revisions were made in scheme guidelines:

- (a) The Scheme was restricted to Petrochemicals, it should be broadened to include chemicals. Accordingly, changes were made in scheme guidelines.
- (b) The earlier period of the project was insufficient to meet the objectives, therefore, the period of the project was increased from 2 years to 5 years, from the date of signing of the Agreement.
- (c) It was observed that maximum amount of grant should be utilized for asset creation, therefore, it was stipulated that minimum 50% of the grant would be used for procurement of equipment;
- (d) In order to prevent blocking of funds, it was mandated that funds under the Scheme would be released under the Central Nodal Agency (CNA) Model-II Guidelines of the Department of Expenditure, Government of India.

Thereafter, the Department circulated the scheme Guidelines to various eminent institutes and invited research proposals. After evaluation of received proposals based on the scheme guidelines, the Department approved 5 CoEs and first instalment has been sanctioned to these CoEs, details of which may be seen at **Annexure-I**.

38. When pointed out by the Committee that no physical targets were set up for the year 2025-26. In response the Department submitted that the 15th Finance Commission cycle is concluding on 31.03.2026. The Department has approved 5 new CoEs in FY 2024-25 and FY 2025-26 is last year of the 15th Finance Commission cycle. The Scheme continuation over next Finance Commission cycle requires fresh appraisal and approval process, therefore no physical targets were set for the year 2025-26.

39. As regard the completion of 02 CoEs, the Committee were informed as under:-

In F.Y. 2024-25, the following 5 CoEs have been approved:

- i. Coal to Acetylene and Fine Chemicals: IIT, Indian School of Mines, Dhanbad
- ii. Biodegradable Packaging Materials (BioPack): IIT, Madras

- iii. Performance Chemicals and Sustainable Polymers for Industrial Applications: CSIR-National Institute for Interdisciplinary Science and Technology (CSIR-NIIST), Thiruvananthapuram
- iv. Specialty Chemicals: IIT, Kanpur
- v. Transparent and Biocompatible Metal-Polymer Composite Based X- ray, Gamma ray and Neutron Shields for Window and Personal Protecting Apparels: CSIR-Advanced Materials and Processes Research Institute (CSIR-AMPRI), Bhopal

The above approved 5 CoEs have been set up and first instalment has been sanctioned to these CoEs, details of which may be seen at **Annexure-I**

40. In response to a specific query on whether 18 CoEs are adequate for a population of over 140 crore, the Department replied that the Scheme seeks to provide grant-in-aid to educational and research institutions to undertake research to improve existing technology and promote development of new applications. The CoEs are set up with an aim to help in development of new products, new applications, innovation and improvement of technology, process innovation, quality and environmentally sustainable development, etc. The Department reviews the requirements of the Sector and accords approval for new CoEs based on the needs of the industry and the quality of research proposals received. Further, the industry independently undertakes its own research and development activities to foster innovation, enhance technological capabilities, and improve product quality and process efficiency in line with evolving market and regulatory requirements.

41. The Secretary further deposed regarding CoEs before the Committee as follows:-

“सर, आपने सीओई की संख्या के बारे में पूछा था कि क्या यह पर्याप्त है? हम उसके लिए आवेदन मंगाते हैं। जो सरकारी एमिनेंट इस्टिब्यूट्स हैं, उनके ही लेते हैं। उन आवेदन के लिए हमारी कमेटी होती है, जिसमें हमारे एक्सपर्ट होते हैं, उसमें इंडस्ट्री भी होती है, वे लोग उसकी स्कूटनी करते हैं। स्कूटनाइज के बाद जो अच्छे होते हैं, हम उन्हीं को ले पाते हैं। उसमें जितने आते हैं, उतने को हम ले लेते हैं। अगर वॉयबल रिसर्च प्रोजेक्ट्स है तो उस हिसाब से इंडस्ट्री की जो रिक्वायरमेंट, उसके हिसाब से हमारे पास ई-रिसर्च प्रोजेक्ट्स के आवेदन आते हैं तो हम उसके हिसाब से एलोकेट करते हैं।”

VI Chemical Promotion and Development Scheme (CPDS)

42. As regard CPDC the Committee were informed that the department of Chemicals & Petrochemicals is implementing the Chemical Promotion and Development Scheme (CPDS) to facilitate growth and development of chemicals and petrochemicals Industry by creation of knowledge products through studies, survey, data banks, promotional material etc. and dissemination of knowledge through conduct of seminars, conferences, exhibition, awards for excellence etc. to facilitate development of these sectors.

43. When asked as to how CPDS scheme facilitate the growth and development of Chemicals and Petrochemicals industry and its long term vision, the Department in its written reply submitted that the Department of Chemicals & Petrochemicals is implementing the Chemical Promotion and Development Scheme (CPDS) to facilitate growth and development of chemicals and petrochemicals Industry by dissemination of knowledge through conduct of seminars, conferences, exhibition, etc. in different sub sectors of the industry such as agrochemicals, Dyes and pigments, chlor-alkali, plastics, petrochemical. Based on the requests received from different industry associations, academic institutes, Public Sector Undertakings (PSUs), Autonomous bodies, etc. for extending financial support for organizing workshops, training, theme based seminars etc., this Department provides soft support in the form of Grants-in-Aid as per the extant guidelines.

Various events are organized under the scheme which are useful for the promotion of Indian industry, trade and attracting foreign investment, R&D for indigenization of technologies & import substitution, scope of technology transfer, skill development, sustainability initiatives for comprehensive development of the sector. Training programmes focusing on green technology, chemical safety and safe handling of pesticides, etc. are also organized which benefit chemical industries and farmers. CIPET and IPFT, the Autonomous Bodies of this Department and Industry Associations viz. Federation of Indian Chambers of Commerce & Industry (FICCI), *Confederation of Indian Industry*, Indian Chemical Council, Dyestuffs Manufacturers Association of India, Alkali Manufacturers Association of India etc. organize events on the themes which are useful for the development of Indian Chemical & Petrochemical Industry.

In this context, 13th edition of the event "India Chem 2024", one of the biggest event supported by the Department, was organized during 17th-19th October, 2024, in Mumbai. The key objectives of India Chem 2024 were to showcase the opportunities being offered by rapidly growing Indian Chemicals and Petrochemicals Industry and various Government initiatives, for accelerating growth in the sector. The event saw participation from 172 exhibitors, including 49 international exhibitors and attracted 78 global CEOs, 135 speakers, and 689 foreign participants, 1,115 Indian delegates and 8,720 business visitors.

To minimize the harms associated with excessive or indiscriminate use of pesticides, Department is promoting Safe and judicious use of Pesticides in crops through Farmers awareness programs under CPDS. Since 2016, the Department is organizing farmers training programmes on Safe and Judicious use of Pesticides in crops and creating awareness towards the adoption of Integrated Pest Management Practices to minimize pesticides residue in food grains, edible oils, fruits, and vegetables. So far, more than 250 programs have been organized by the Department, training more than 85,000 farmers across the country.

The Department has also initiated a program to impart training to workforce of Major Accident Hazardous (MAH) Units for "Safe handling of hazardous chemicals at work place and reducing risk associated with hazardous chemicals" across the country, under the scheme. The programs are intended to cover all the 2,393 no of MAH Units over a period of 5 years. Each training programme is expected to cover 100 participants from 50 MAH units, with 2 employees from each of units. Till date, 23 such training programs have been organized at across the country. These trainings programs were attended by 1,499 industrial units. A total of 2,690 personnel have been trained through these training programs.

By supporting such events and programs, the scheme provides a platform for both

domestic and international industries, to exchange ideas, share best practices, forge partnerships including technology transfer and increase trade opportunities and learn about safe practices for handling chemicals.

Department also supports creation of knowledge products which are typically developed either directly by the Department or through funded grants-in-aid to eligible entities such as industry associations, autonomous bodies, public sector undertakings (PSUs), academic institutions, and other organizations. Department in partnership with National Institute of Disaster Management has developed a National Chemicals and Petrochemicals Disaster Management Plan. The plan serves as a comprehensive framework to enhance preparedness, prevention, mitigation, response, and recovery mechanisms specifically tailored to disasters and emergencies arising from chemicals and petrochemicals sectors. Department has also developed a Perspective Plan for the Petrochemical industry, in collaboration with Engineers India Ltd. The plan highlights the likely demand-supply scenarios over the next 10-15 years. Further, the Department has recently initiated a Study as well on Micro-plastics and Trace Elements Analysis in Bottled Drinking Water in Indian Climatic Conditions. The study which is to be conducted by CIPET, aims to investigate the migration of microplastics and additives from packaging materials to bottled drinking water in Indian climatic conditions.

In addition to the above, the Department also supports creation and release of knowledge papers while extending financial support to the events like, conference, exhibitions, training programs etc. Following knowledge papers have been supported by the Department in FY 2024-25:

a) Catalysing India's chemicals and petrochemicals : strategies for global integration and growth – Launched during India Chem 2024, the report reflects the immense growth potential and strategic advantages of India's Chemicals and Petrochemicals industry. The government's proactive initiatives to improve the Ease of Doing Business (EoDB) are creating a more favourable investment environment, further accelerating growth in this vital sector.

b) Empowering the Process Plant Machinery, Pumps, and valves Industry in India - Launched during India Chem 2024, the paper highlights the critical role of Process Plant Machinery, Pumps & Valves Industry in driving India's chemicals, petrochemicals, and infrastructure growth.

c) Emerging trends, Challenges, and Opportunities shaping the Chlor-alkali Industry in 2025 was launched during Conference on Alkali Industry – Trends, Developments & Outlook, which focused on the growth trajectory along with challenges and expansion potential of the sector.

d) "Innovations from Centres of Excellence: Driving Research from Innovation to Industry 4.0" – released during Chemcon Innovation Summit 2024, the book showcased the innovative products and breakthrough developed by Centres of Excellence across the country.

A list of programmes for which financial support was extended during 2023-24 and 2024-25 under CPDS is given below:

FY 2023-24

S. No.	Organization	Subject
1.	NIDM, Delhi	Preparation of Disaster Management Plan for Chemicals and Petrochemicals sector (payment of 3 rd Instalment)

2.	Green ChemisTree Foundation	7th Industrial Green Chemistry World (IGCW-2023) Convention & Ecosystem, on 6 - 7 November 2023 in Mumbai.
3.	HIL	28 one-day training programmes for farmers. A compendium on safe and judicious use of pesticides in vernacular languages is distributed to the trainees.
4.	IPFT	16 training programmes for farmers on "Promotion of use and environment friendly pesticide formulations and practices for sustainable agricultural growth". A compendium on use and environment friendly pesticide formulations in vernacular languages is distributed to the trainees.
5.	IPFT	3 programmes on Innovative Technologies in Pesticide formulations and Quality Management Systems as per ISO/IEC 17025: 2017 – an Interaction with the Industries.
6.	Indian Chemical Council	5 training programmes on "Safety and Environment Management/Practices for MSME Units in Chemical Sector".
7.	CIPET	1st Petrochemicals Research and Innovation Commendation (PRIC)
8.	CIPET	International Chemical Engineering Conference on Energy, Environment & Sustainability
9.	FICCI	India: GCPMH 2023. During GCPMH 2023, a knowledge paper titled "Harnessing the potential of Sustainable Manufacturing and Circular Economy in the Indian Chemical Industry." was released.
10.	HIL	4 one-day training programmes for farmers in NER.
11.	IPFT	4 training programmes for farmers on "Promotion of user and environment friendly pesticide formulations and practices for sustainable agricultural growth" in NER. A compendium on use and environment friendly pesticide formulations in vernacular languages is distributed to the trainees.

FY 2024-25

S. No.	Organization	Subject
1.	CIPET	For organizing two-day training programme on chemical safety in FY 2024-25.
2.	HIL (India) Ltd.	For organizing 20 training programmes on 'Safe and judicious use of pesticides and application of new generation formulation for crop protection in vegetable crops'. A compendium on safe and judicious use of pesticides in vernacular languages is distributed to the trainees.
3.	HIL (India) Ltd.	For organizing 10 training programmes on 'Safe and judicious use of pesticides and application of new generation formulation for crop protection in vegetable crops' in NER. A compendium on safe and judicious use of pesticides in vernacular languages is distributed to the trainees.
4.	FICCI	India Chem 2024. During India Chem, a knowledge paper titled "Catalyzing India's petrochemicals : strategies for global integration and growth." was released.
5.	CIPET	For organizing International conference on "Advancements in

		the Polymeric” during FY 2024-25 at CIPET: IPT, Lucknow – to be conducted in March, 2025.
6.	Indian Chemical Council	For conducting training programmes on ‘Safety and Environment for MSME unit in Chemical Sector’ held at different locations during FY 2024-24.
7.	Indian Chambers of Commerce	For organizing Chemcon Innovation Summit 2024 held on 22/11/2024 in New Delhi. During the event, a data bank was released that showcased the innovative products and breakthroughs developed by Centres of Excellence (CoEs)
8.	CIPET	For organizing two-day National conference on “Opportunities and challenges for petrochemical and allied sector in north Eastern Region” – to be conducted in March, 2025.

44. On being asked whether the discontinuation of excellence awards has affected the scheme adversely, it was submitted that discontinuation of excellence awards has not affected the overall running or effectiveness of the scheme in any manner. Different industry associations, such as FICCI and Indian Chemical Council, in different sub sectors of Chemicals and Petrochemicals industry recognize the outstanding contributions of the industry members in various aspects such as manufacturing excellence, innovation, sustainability, energy efficiency, safety, and circular economy practices, R&D and management of Health & Environment. After evaluating and recognizing the contribution of individual members they conduct the award functions. The Department supports such endeavours and events suitably from time to time.

VII Central Institute of Petrochemical Engineering and Technology (CIPET)

45. As regards CIPET the Committee were informed that CIPET is a technical education institution under the Department of Chemicals & Petrochemicals, engaged in skill development, technology support, as well as academic and research activities for the promotion of the petrochemical and allied industry in the country. CIPET has 48 Centres across the country which includes 9 Institutes of Plastics Technology (IPTs), 32 Centres for Skilling and Technical Support (CSTS), 03 Schools for Advanced Research in Polymers (SARP) and 4 sub- centres. It also has 3 functional Plastic Waste Management Centres (PWMCs) which has been established as demonstration and training centres in the field of Plastic Waste Management.

46. The brief details of funds sought, allocated and utilized during the last three years were stated to be as follows:

Financial Year	Grants Proposed	Actual Allocation		Actual Utilization
		BE	RE	
2023-24	106.20	92.88	7.28	0.00
2024-25	62.58	36.37	44.20	44.20
2025-26	80.00	78.48	76.35	58.86 (upto 28.01.2026)

(Rs. in crore)

2026-27		70.00		
---------	--	-------	--	--

47. When asked that BE for the year 2023-24 was 92.88 crore which was reduced drastically to Rs. 7.28 crore and the actual utilization was NIL. The Department in their written reply submitted that at the close of 2022-23, a comprehensive review of the funds released and utilized in CIPET was undertaken wherein it was noted that funds were available with CIPET from releases of previous years. Accordingly, it was decided that no funds would be released to CIPET until the unspent balance from previous years is fully utilised or surrendered and hence no funds were released during 2023-24. During the year, CIPET incurred expenditure from the releases of previous years and at the close of 2023-24, an amount of Rs. 34,65,71,478 which included the unspent balance and interest accrued, was deposited into the Consolidated Fund of India.

48. The Committee then desired to know about the reasons for the unspent funds from previous years which were available with CIPET in the year 2023-24, the Department submitted that in earlier system, the grants were released to CIPET HO for various projects and these grants were then transferred to the centres by the HO. The Centres will then utilize the funds based on the completion of works and payments would be made to contractors/vendors. There was no system in place to check the real time utilisation of the grants by the centers and the Department was dependent on the Utilisation Certificate furnished by the HO. At the end of FY 2022-23, a comprehensive review of the utilisation of the grants and physical progress was done and it was then found that the un-utilized funds are available with the centres. Subsequently, TSA system was adopted in 2023-24, to release the amount on a real-time basis as per requirement. The TSA system is now being used for disbursement of funds.

49. When asked that for the financial year 2026–27, the Department has proposed a Budget Estimate (BE) of Rs. 70 crore, which is lower than the BE of Rs. 78.48 crore for the year 2025–26, the Department submitted that the BE was proposed to be Rs. 70.00 crore as the timeline of the various ongoing projects is till 31.03.2026. Considering that the ongoing approved projects are likely to get completed by 31.03.2026 and the process of approval for new projects is still ongoing, the BE was proposed to be Rs. 70.00 crore.

50. Explaining the role of the Department in promoting CIPET, Secretary submitted as under:-

“Sir, we have also tried to streamline their functioning. They have centres scattered across different locations. We have consolidated information and functioning of these centres. As I mentioned earlier, their funds were distributed across centres, and the head office did not have complete information regarding expenditure and activities. Now, everything has been brought online. We know how much funds are lying with each centre, and we consolidate the expenditure

and allocate funds for the next year depending on the results. We have also prepared a plan to modernise their classrooms, teaching facilities, and laboratories. सिपेट के स्टॉफ में भी थोड़ी सी यह समस्या थी कि कुछ स्टॉफ की संख्या लैप्स हो गई थी। We have taken up the matter with the Department of Expenditure to allow us to fix the required strength and begin recruitment so that there is no shortage of teaching staff. We are also constructing new hostels for boys and girls to facilitate learning, since many students come from small towns and rural areas. If they are provided residential facilities, their response and performance are better. प्लेसमेंट में भी सिपेट काफी मेहनत कर रहा है और हमने विभिन्न इंडस्ट्रीज बॉडीज से टाईअप करके इनके प्लेसमेंट, रोजगार मेला लगवाने शुरू किए हैं, जहां पर बच्चों को एक अच्छे प्लेसमेंट की अपॉर्चुनिटी मिल रही है। All these initiatives are ongoing, and whatever suggestions emerge during discussions, we are trying to facilitate them”.

51. As regard a suggestion upgradation of CIPET as a Central University, Secretary submitted as under:-

“..... it requires a lot of inter-ministerial consultation also because CIPET is not a purely educational institute right now. They are also providing technical services. They are also providing technical short-term trainings, refresher courses and diploma courses. Their activities are mixed. So, we have to really examine and study as to what it entails to convert them into a university. We will have to consult the Department of Higher Education. We have to assess our own capacity also. Then only will we be able to come to a conclusion and comment on it. But as I mentioned earlier, their degree courses, which is primarily the function of a university, are undersubscribed. So, we are also trying to study whether there is a demand for them or we should convert the degree courses into diploma courses or what kind of demand is there. So, we are going into all these details. Once we have done this study, we will be able to come to a conclusion.

As far as a modern action plan for future is concerned, we are going to have a brainstorming session in the month of April where we could call all our Centre heads. We will ask them to recount their experiences and their suggestions also. Then we will finalize the plan. Unless we consult them, it would be a one-sided plan which would not be good. So, we plan to hold a two-day seminar with them, consult them and then finalize our plan

52. On a pointed query, whether CIPET centres can be opened at Commissionerate level, the Department replied that the CIPET has established centres across the country based on the requirement of the local industry and the need for the skilling among the local youth. The establishment of these centres is done after conducting feasibility studies based on assessing industry demand, regional requirements, and the availability of resources within CIPET.

53. In response to a specific query of the Committee regarding the intake capacity of CIPET to train students and the actual no. of students getting trained at various CIPET centres, the representative submitted as under:-

“..... हमारे सीआईपीईटी के प्रशिक्षण की जो क्षमता है, वह 71 हजार प्रति वर्ष की है। इस वर्ष अभी तक 59 हजार के करीब प्रशिक्षण किए गए हैं। औद्योगिक परिवेश के बारे में पूछा गया था। उसके संबंध में मैं बताना चाहूंगा कि उसमें दो प्रकार के प्रशिक्षण कार्यक्रम चलते हैं। एक स्किल डेवलपमेंट ट्रेनिंग प्रोग्राम है, जो कि एमएसडीई के लाइनमेंट पर तीन महीने और चार महीने के लिए चलता है। जो औद्योगिक परिवेश के अनुसार चलता है, वह स्किल अपग्रेडेशन प्रोग्राम है, जिसमें कि इंडस्ट्री के लोग आते हैं और तीन दिन से लेकर 10 दिन तक के कार्यक्रमों में भाग लेते हैं। इसलिए जो हमारी क्षमता है, वह हमारे क्लास रूम्स और प्रशिक्षकों पर निर्धारित है। यह क्षमता लगभग 71 हजार की है। प्रतिवर्ष हम लगभग 71 हजार के करीब प्रशिक्षण करते हैं।”

54. On being asked about the details of the students enrolled during the year 2022-23, 2024-25 and 2025-26 for the various courses and the details of students passed out and getting placements for each of the courses separately. The Department furnished the details as under:-

Academic year	No. of students enrolled in various courses (Long term)	No. of students enrolled in various Placement linked Skill Development Courses
2023-24	12020	11706
2024-25	11814	9844
2025-26	12158	10698 (as on 15.02.2026)

55. The placement rate for the students after successfully completion of courses in CIPET Centres were stated to be as follows:

Year	Percentage of placement for degree and diploma courses	No. of students placed, including higher studies for degree and diploma courses	Placement Percentage for Skill Development Training Programmes	No of students placed for Skill development training programmes
2022-23	92%	3952	77.12%	10829
2023-24	94%	3783	85.34%	9990
2024-25	90%	3598	84.97%	8364

56. Regarding the query on adequate number of faculty for each course offered at CIPET, the Department replied that CIPET has faculty members on permanent and regular employment and on contract with fixed tenure for its academic programmes to meet the requirements of the regulatory and statutory authorities.

VIII Plastics Waste Management Centres (PWMCs)

57. The Committee was informed that the Plastics Waste Management Centres (PWMCs) at Varanasi, Bengaluru & Bhagalpur are operational. The installation of

machineries is under progress at Sanand and it will be operational in the current FY 2025-26.

Currently, Skill training programs and process recycling of plastic waste are being undertaken at the three PWMCs at Varanasi, Bengaluru and Bhagalpur. 532 persons have been trained and 33.7 tonnes plastic waste has been recycled so far in these centres.

58. When asked whether the Department has sought any feedback of the general public regarding functioning of PWMCs, the Department submitted that the school and college students who have visited the PWMC centres have expressed keen interest and appreciation after witnessing firsthand that plastic waste can be effectively recycled using scientific and technological processes. The industrial representatives and participants of seminars and other meetings organized by CIPET have provided very positive feedback and have suggested organizing more such interactive sessions and specialized courses in the coming years.

59. Regarding the query regarding steps taken by the department to make the general public aware of functioning of PWMCs, the Department replied that during FY 2025-26, the Department/PWMCs have completed skill training programmes for 532 no. of persons. Further, PWMCs have promoted awareness regarding of plastic waste solutions by organising visits of schools/ college students/ interaction programmes with industry, academic institutions, municipal offices and waste collectors and processors have been conducted.

60. When Committee enquired about the proposal to establish PWMCs in other states, the Department replied that the proposal for establishing three additional Plastics Waste Management Centres at CIPET: CSTS, Dehradun; CIPET: IPT, Murthal; and CIPET: IPT, Chennai has been included in the proposals for funds for the FY 2026- 27 to 2030-31. The proposals are under consideration for the fund allotment.

IX Institute of Pesticide Formulation Technology (IPFT)

61. The Committee have been informed that the Institute of Pesticide Formulation Technology (IPFT), established in 1991, is an autonomous institution, under Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India. IPFT is working on the development of the user and environment friendly new generation pesticide formulation technologies.

The main objectives of IPFT are:

- i. Development and production of user and environment friendly pesticide formulation technology.
- ii. Promotion of efficient application technologies suiting the existing requirements of the newer formulations.

- iii. Information dissemination for safe manufacturing practices, quality assurances, raw material specifications and sources.
- iv. Providing Analytical and consultancy services.
- v. Continuing education in research through specialized training for pesticide personnel working in agrochemical R&D.

62. The institute has three functional verticals, viz., Formulation Development, Analytical Characterization and Bioscience activities. The details are as follows:

(i) **Formulation Development:** The main objective of this vertical is to develop user and environment friendly new generation pesticide formulations for agricultural as well as household pest management. The vertical also assists the pesticide industry personnel in producing safe and environment friendly pesticide formulations by enhancing their knowledge through training and seminars and provides consultancy services to the industries in India and abroad on pesticide formulations technology development. The institute also has pilot plant facilities that can scale up lab scale research to a commercial production with optimum budget. The pilot plant facility of IPFT has the capacity to produce the formulations upto 100 kg per shift.

(ii) **Analytical Activities:** The Analytical facility is accredited for chemical testing of pesticides (Technical & Formulations), pesticide residues in various food matrices, chemical warfare agents and their precursors and degradation products. In addition to providing various analytical services such as quality assurance, persistence and residue analysis in various matrices, it also undertakes R & D projects from various agencies and the pesticide industry.

(iii) **Bioscience Activities:** The major thrust of the vertical is to evaluate the different pesticide formulations developed by this institute or by the industry for their bio-efficacy and environmental impacts, through well-equipped bio-assay laboratory, green house/glass house and experimental field trials. The division is recognized by Central Insecticide Board/Registration Committee (CIB & RC) for generation of data on bio-efficacy, phytotoxicity, compatibility, effect of pesticides on natural enemies of pests and residual aspects of pesticides.

IPFT laboratories are equipped with analytical instruments such as GC, HPLC, Preparative HPLC, GC-MS, GC-MS/MS, LC-MS/MS, LC-HRMS (LC/Q-TOF & LC-Orbitrap-MS), LC-ICP-MS, NMR, CHNSO Analyser, DSC-TGA, FTIR and other equipments related to physical-chemical analysis of pesticides and their formulations.

63. The details of funds sought, allocated and utilized during the last three years was as follows:

(Rs. in Crore)

Year	Grants proposed	Actual Allocation		Actual Utilization in IPFT
		BE	RE	
2023-2024	12.62	12.62	14.12	14.12
2024-2025	21.50	20.65	17.15	17.15
2025-2026	13.00	12.15	12.15	8.39 (upto 28.01.2026)

64. It may be seen that during the year 2023-24 and 2024-25, the IPFT utilized the entire RE of Rs. 14.12 crore and 17.15 crore allocated to it. However, during the year 2025-26 out of the allocated RE of 12.15 crore, IPFT could utilize only Rs. 8.39 crore up to 28.01.2026. On asking the reason for slow utilization of funds, the Department has replied that out of the 2025-26 RE of 12.15 crore, Rs.10.79 crore is already released to the IPFT till 20.02.2026. The Institute is in the process of purchase of equipments to ensure utilization of the funds.

65. When asked that BE (2023-24) was Rs. 12.62 crore which was enhanced to Rs. 20.65 crore in the year 2024-2025 and reduced to Rs. 12.15 crore during the year 2025-26, the Department replied that during the year 2024-25, the enhanced grant was sought by the IPFT for the procurement of laboratory equipment i.e. LC-HRMS at an estimated cost of Rs. 6.00 crore. As there are limited requirements in the financial year 2025-26 for creation of the capital assets, therefore BE 2025-26 is reduced, as per actual requirement of the institute.

66. When pointed out that during the year 2023-24, IPFT developed 07 formulations out of which only 02 formulation were transferred to industry. Similarly in the year 2024-25, IPFT developed 10 formulations out of which only 01 formulation could be transferred and in the year 2025-26, IPFT developed 10 formulations out of which only 02 formulations could be transferred to industry, the Department in written reply had submitted that the Department replied that from 2023-24 to 2025-26, 27 formulations were developed by the Institute, out of which 22 formulations are still not transferred to the industry. After development of formulations, the data has to be generated as per regulatory requirement. Further work is to be carried out regarding efficacy, environment impact etc for these formulations.

67. Asked to state about the expansion of the functions of IPFT and using their production capacity, the Department in its written submission clarified that the IPFT is a research and development institute and not involved in the production and marketing of any formulations. At IPFT the technologies of pesticide formulations are developed and transferred to different industries for commercialization.

68. As regard to the future assessments, it was submitted that IPFT will be working in the following areas in the coming years:

- Development of user and environment friendly combination formulations like insecticide-insecticide, insecticide-fungicide, herbicide-herbicides. These

formulations will provide advantages of broad-spectrum bio-efficacy, minimizing pesticide residues in crop products and environmental contamination;

- Development of bio-botanical pesticides and their formulations as an efficient delivery system for the management of various agricultural, stored grain pests, nematodes, ticks parasites and mosquito vectors;
- Establishing Bio-foundry facility to further augment biopesticide and their formulations development with assistance from Department of Biotechnology;
- Conducting Analytical Skills Development Courses (ASDC) under the sponsorship of the Organisation for the Prohibition of Chemical Weapons (OPCW), The Netherlands. The 1st programme was conducted from 22nd September to 3rd October 2025 and was attended by 15 participants representing 13 countries — Burundi, Sri Lanka, Brazil, Lesotho, Tanzania, Kenya, Philippines, Uganda, Oman, Barbados, Morocco, Zambia, and Malawi.

69. When asked about the response of farmers towards use of Bio-Pesticides, the representative submitted as under:-

“सर, किसानों के विषय पर मैं आपको बताना चाहूँगी कि बायो-पेस्टिसाइड इफेक्टिव तो है, लेकिन थोड़ा सा टाइम लेता है। इसीलिए धीरे-धीरे इसकी एक्सेप्टेबिलिटी बढ़ रही है। हम कोशिश यही कर रहे हैं कि किसानों को इसके जो फायदे हैं कि हो सकता है कि शार्ट टर्म में बहुत इफेक्टिव न हो, जितना केमिकल पेस्टिसाइड तुरंत एक्ट कर देता है, उतना न करे, लेकिन लॉन्ग टर्म में सोइल की क्वालिटी और इन सब चीजों के लिए, ह्यूमन हेल्थ के लिए, सभी चीजों के लिए फायदेमंद है, तो इन ट्रेनिंग्स के माध्यम से किसानों को हम वही समझाने की कोशिश करते हैं।”

मतलब, यह मैं एक प्रैक्टिकल बात कह रही हूँ। आजकल ज्यादातर किसान तीन फसल लेने की भी कोशिश करते हैं तो उनके पास गैप कम होता है, फिर थोड़ी वेदर की और बाकी चीजों की अनसर्टेटीज़ होती है, तो किसान की कोशिश यही रहती है कि जिसकी इफेक्टिवनेस उसको पता है, वह उसी को यूज़ करे, क्योंकि वह रिस्क नहीं लेना चाहता। बार-बार सभी जगह जाकर और ट्रेनिंग करवाकर हम किसानों को समझाने की कोशिश कर रहे हैं। यह इसी दिशा में एक प्रयास है कि धीरे-धीरे बायो-पेस्टिसाइड्स की एक्सेप्टेबिलिटी बढ़े और इसको हम आगे बढ़ा सकें।”

70. When Committee sought to know the reasons for the IPFT not utilizing its production capacity, the representative deposed as under:-

“Sir, we are a R&D institute but we develop the product at market-ready stage and transfer it to industry. We can work on mosquito repellents. We have transferred neem-based mosquito repellents to HAL. They are an R&D institute. They are not into production.”

71. The Department has also submitted that IPFT is actively creating awareness about new-generation pesticide formulations and safe applications through farmer Awareness programmes, field demonstrations, training workshops, and exhibitions. It also disseminates information via brochures, regional-language materials, social media, and its Hindi magazine, Krishirasayan Digdarshika, and also collaborates with

state agriculture departments. These efforts encourage farmers, households, and the general public to understand and adopt safer, eco-friendly pesticides for agricultural and household pest management.

72. As regards the Farmers Training Programmes, the Department submitted that the institute had conducted 20 Farmers Training programmes during 2023-24, 02 programmes during 2024-25 and 09 programmes during 2025-26 so far, for the farmers awareness. The details of the programmes conducted in the states including Haryana were as follows:

Financial Year	State(s) Covered (Other than Haryana)	No. of Programmes	Approx. No. of Farmers Participated
2023-24	Rajasthan	02	775
	Andhra Pradesh	03	2000
	Odisha	02	2135
	Madhya Pradesh	02	911
	Ladakh	02	603
	Karnataka	03	805
	Assam	02	793
	Meghalaya	01	339
	Mizoram	01	358
	Haryana	02	496
2024-25	Haryana	02	130
2025-26 (till date)	Andhra Pradesh	03	1293
	Punjab	02	696
	Uttar Pradesh	01	366
	Telangana	02	924
	Haryana	01	456
Total		31	13080

73. The Committee then desired to know that the sanctioned and actual strength of IPFT as on date and no. of post lying vacant in the IPFT, the Department replied that IPFT had a total sanctioned strength of 40 and out of which, a total of 13 posts lapsed over a period of time. The working strength of the Institute at present is 16, including 10 scientific posts. 10 posts are vacant for which recruitment is under progress.

X Public Sector Undertakings (PSUs)

74. The Committee have been informed that the following three PSUs are under the administrative control of the Department:

(i) Hindustan Organic Chemical Limited (HOCL)

(ii) Hindustan Fluorocarbons Limited (HFL)

(iii) HIL (India) Limited

(i) Hindustan Organic Chemicals Limited: HOCL was incorporated in December, 1960. It established two manufacturing units: one in Rasayani (Maharashtra) in 1971, and another in Kochi (Kerala) in 1987. Rasayani unit manufactured Concentrated Nitric Acid and Di-Nitrogen Tetroxide (N₂O₄). The Kochi unit is producing Phenol, Acetone, and Hydrogen Peroxide. Due to financial losses, a restructuring plan was approved by the Cabinet Committee on Economic Affairs (CCEA) on May 17, 2017. Accordingly, the Rasayani unit at Maharashtra was closed in 2018, as it was deemed financially unviable. Subsequently, the plant at Rasayani has been completely shut down and employees have been relieved through voluntary Retirement Scheme (VRS) / Voluntary Separation Scheme (VSS) and non-VRS opted employees were transferred to Kochi unit. Only sale of land is remaining which is under process.

The Profit Before Tax (PBT) of HOCL is (-) Rs.55.32 Cr. in Financial year 2023-24 and Rs 394.87 Cr. in Financial year 2024-25. The difference of numbers is because of waiver of Government of India dues of Rs. 1351.37 Crore by the Government on 21.03.2025.

(ii) Hindustan Fluorocarbons Limited (HFL): Hindustan Fluorocarbons Ltd. (HFL), a subsidiary of Hindustan Organic Chemicals Ltd. (HOCL), was incorporated on 14 July 1983 and is located at Rudraram, Sangareddy District, Telangana. The Company manufactured Poly Tetra Fluoro Ethylene (PTFE and Chloro Di Fluoro Methane (CFM-22. With CFM-22 being phased out under the Montreal Protocol due to its ozone-depleting and high global warming potential, the company incurred losses and consequently, CCEA approved the shutdown and closure of the company on 22 January 2020. Accordingly, all the closure activities of the Company have been completed. Only disposal of land is remaining which is under process.

(iii) HIL (India) Limited:

HIL (India) Limited was incorporated in 1954 to supply DDT for the National Malaria Eradication Programme. Over time, the company diversified into Agrochemical manufacturing, establishing production facilities at Udyogamandal (Kerala) in 1957 for technical pesticides, at Rasayani (Maharashtra) in 1977 for DDT production, and at Bathinda (Punjab) in 2003 for formulations.

Following India's commitment to reduce reliance on DDT, its demand declined, making the DDT plant economically unviable. Accordingly, following the approval by the Alternative Mechanism (AM) on 25th September, 2023, Bathinda & Udyogamandal units have been closed and relocation of usable plants & equipment to Rasayani (Maharashtra) is under progress. Currently, HIL is operating as a single manufacturing unit located at Rasayani (Maharashtra) with the facility to manufacture Technical and formulation of LLIN, Malathion, Imidacloprid, Chlorpyrifos & Water-Soluble

Fertilizers.

HIL is also executing the following UNIDO supported sustainable projects:

- Development and Promotion of non-Persistent Organic Pollutant (non-POP) alternatives to DDT
- Financing Agrochemical Reduction and Management (FARM) by way of developing alternatives to conventional pesticides.

75. The Committee were informed that restructuring Plan for closing of two units of HOCL Rasayani, Maharashtra 1970 and Kochi, Kerala (1987) was approved on 17.05.2017 and Rasayani Unit had already been closed and disposal of land was under progress. The Committee therefore desired to be apprised of the reasons for the delay in disposal of land, the Department submitted that as per the restructuring plan approved by the Govt. of India on 17.05.2017, only Rasayani unit of HOCL was to be closed. Rasayani Unit of HOCL has its land parcels at Rasayani and at Panvel in Maharashtra. The Govt. of India had approved sale of 684 acres of land at Rasayani to BPCL, out of which 408.31 acres for a sum of Rs. 583.55 Crore have already been registered by BPCL. In addition to the above 684 acres, HOCL holds approximately 234.35 acres of additional land at Rasayani. The remaining land of 510.04 acres (275.69+234.35) could not be sold due to encroachments. The matter has been taken up with Government of Maharashtra for removing the encroachment. Under Rasayani Unit, HOCL also has 7.09 acres of land at Panvel. The matter of sale is being taken up with NBCC for sale of land. Further, 0.25 acres of land at Kharghar was sold to National Aluminum Company Limited (NALCO) in 2019 for Rs. 12.97 Crores. CCEA had also approved transfer of CNA/N2O4 plant at Rasayani to ISRO alongwith its assets on 'as is where is basis'. Subsequently, 20 acres of land was transferred to ISRO.

XI Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR)

76. The Committee was informed that At present three Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) are being implemented in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep) to promote investment and industrial development in these sectors.

The status of implementation and execution of PCPIR projects is indicated below:-

Indicator	Gujarat	Andhra Pradesh	Odisha	Total
Location/ Region	Dahej, Bharuch	Vishakhapatnam– Kakinada	Paradeep	-
Approval	Feb, 2009	Feb, 2009	Dec, 2010	-
Total Area (Sq. kms.)	453.00	640.00	284.15	1377.15
Anchor Tenant	ONGC Petro Additions Limited (OPaL)	--	Indian Oil Corporation Ltd. (IOCL)	-

Indicator	Gujarat	Andhra Pradesh	Odisha	Total
Investments made (Rs. Crore)	1,37,163	68,148	1,43,881	3,49,192
Employment generated (No.)	2,45,140	86,123	40,000	3,71,263
No. of Chemical Units	2079	154	13	2246

As per the PCPIR Policy, 2007, the State Government concerned plays the lead role in setting up of the PCPIR. A nodal Department or agency is notified for coordinating the linkages. A management body constituted by the State Government for each PCPIR, under the relevant legislation, is responsible for the development and management of the PCPIR. A developer or a group of co-developers is selected through a transparent mechanism to manage the internal infrastructure of the PCPIR.

77. The Committee were further informed about PCPIR that so far, the Department has not received any proposal from the State Government for providing Viability Gap Funding under this policy. Therefore, no budgetary allocation has been made and no expenditure has been incurred by the Department under the PCPIR Policy, 2007.

78. The Committee desired to know whether the Department need any further review in PCPIR Policy 2007, the Department in written replies submitted that at present, there is no proposal under consideration in the Department to review the PCPIR Policy, 2007. However, the Department regularly monitors the progress of the notified PCPIR s through periodic reviews to assess development status of the regions.

XII Foreign Direct Investment (FDI)

79. With regard to Foreign Direct Investment (FDI), the Department has informed that as per FDI Policy 2020, FDI in Chemical Sector of India is permitted 100% under the automatic route for manufacturing and trading of Chemicals and Petrochemicals. However, the FDI proposals, involving investments from an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country [as required in terms of Press Note 3 of 2020 read with Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 dated 22.04.2020], requires approval from Government of India.

From April 2000 to September 2025, cumulative FDI equity inflows into India across all sectors stood at INR 50,72,865.65 crore (USD 764,183.09 million). During the same period, the Chemicals sector received cumulative FDI equity inflows of INR 1,47,453.93 crore (USD 23,793.67 million), accounting for 3.11% of total FDI equity

inflows into the country. The sector ranked 10th among all sectors in terms of cumulative FDI inflows.

During FY 2025-26, (April–September), FDI equity inflows into the Chemicals sector amounted to INR 4,598.19 crore (USD 534.12 million), representing 1.5% of total FDI inflows in the same duration.

80. To attract and sustain investments in this sector, the Government of India has established a liberal and facilitative policy framework. The Chemicals and Petrochemicals sector is a deregulated sector. Currently, 100% FDI is permitted under the automatic route in the sector for both manufacturing and trading activities to facilitate Foreign Direct Investment. Thus, the Foreign Direct Investment in the sector is governed purely on economic factors.

Further, the Department of Chemicals and Petrochemicals organizes various events from time to time for the promotion of Indian industry, trade and attracting foreign investment, to build partnership within the domestic industry as well as between domestic and international industry for synergy, technology transfer, skill development, sustainability initiatives, for comprehensive development of the sector. The Department conducts such events through various industry bodies such as Federation of Indian Chambers of Commerce & Industry, *Confederation of Indian Industry*, Indian Chemical Council, Dyestuffs Manufacturers Association of India, **Alkali Manufacturers Association of India** etc. Such events, though organized on sectoral themes have the overall objective of attracting investment in the country.

In this context, a biennial event called India Chem is being organized by the Department in collaboration with FICCI over more than last two decades. Last such event was organized during 17th-19th October, 2024, in Mumbai. The key objectives are to showcase the opportunities being offered by rapidly growing Indian Chemicals and Petrochemicals Industry and various Government initiatives, for accelerating growth in the sector. The event saw participation from 172 exhibitors, including 49 international exhibitors and attracted 78 global CEOs, 135 speakers, and 689 foreign participants, 1,115 Indian delegates and 8,720 business visitors.

Apart from above, the Department is implementing initiatives such as, namely the establishment of Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic Parks to attract investment in the sector.

81. When asked whether the Department has revised any policy to attract FDI in Chemicals and Petrochemical sector, the department in written reply submitted that yes, the Government has adopted a liberal Foreign Direct Investment (FDI) policy framework for the Chemicals and Petrochemicals sector. At present, 100% FDI is permitted under the Automatic Route in the Chemicals and Petrochemicals sector for both manufacturing and trading activities. Government approval is required only in cases involving investment from entities of countries sharing land borders with India, as per the Press Note 3 (2020) issued by the Department for Promotion of Industry and Internal Trade and existing policy provisions. Therefore, the current FDI policy

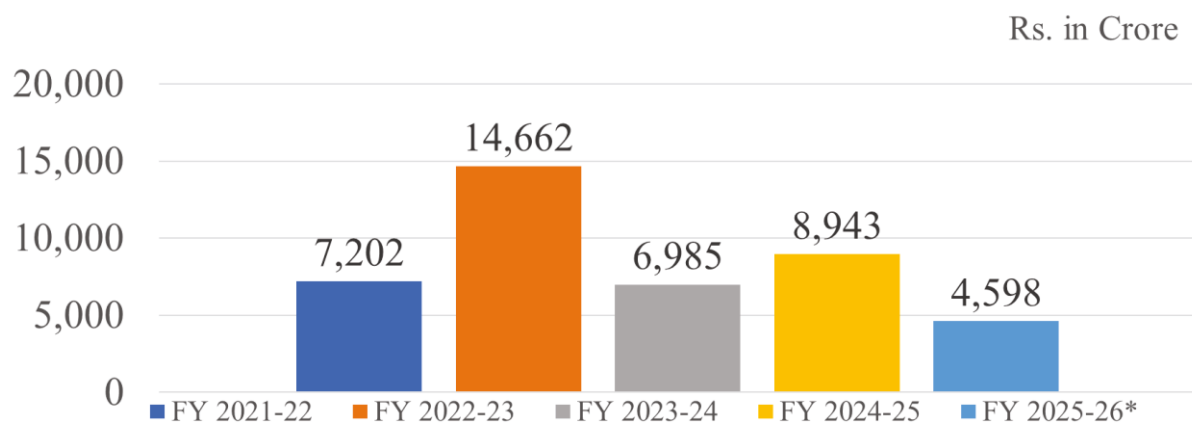
framework has contributed to sustained foreign investment inflows into the Chemicals and Petrochemicals sector.

In addition to the enabling FDI policy, the Department of Chemicals and Petrochemicals has undertaken several steps to attract large-scale investments, including:

- Organizing major international investment promotion events such as India Chem to showcase India’s manufacturing capabilities and investment opportunities.
- The Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) policy were established as integrated, large-scale industrial clusters to boost manufacturing, enhance competitiveness, and attract domestic/foreign investment.

These initiatives aim to position India as a preferred global destination for investments in Chemicals and Petrochemicals.

82. FDI Received in last 5 years in Chemical Sector



* Till September, 2025

- FDI received in last 5 years have been moderately consistent with spike in FY 22-23 on account of major equity inflow in a single Company.

83. When asked about the reasons for the decline in Foreign Direct Investment (FDI) in the Chemicals and Petrochemicals sector in the financial year 2022-23 which was Rs. 14632 crore which fell to Rs. 6985 crore in the year 2023-24 and in the year 2024-25 it rose marginally to Rs. 8943 crore and finally reduced to Rs. 4,598.19 crore in the year 2025-26, the Secretary, DCPC submitted as under:-

“सर, आपने एफडीआई के संबंध में जो प्वायंट-आउट किया है, वह सही है। यह इसलिए हुआ था, क्योंकि वर्ष 2022-23 में भारत में सज्जन इंडिया लिमिटेड नाम से एक बहुत बड़ी यूनिट का निवेश आया था, जिन्होंने इसमें काफी पैसे निवेश किये थे, इसलिए उस साल यह काफी बढ़ गया था। वैसे भी हमलोग इसके लिए लगातार कोशिश कर रहे हैं। वर्ष 2023-24 की तुलना में वर्ष 2024-25 में हमारा काफी निवेश बढ़ा है। इस साल भी हम प्रयास कर रहे हैं और हमें उम्मीद है कि इस साल से लेकर अगले साल तक इसके निवेश में एक-दो बड़ी यूनिट्स आएंगी। सर, 'ईज़-ऑफ-डूइंग-बिजनेस' के प्रयास तो वैसे सभी उद्योगों के लिए सभी सेक्टर्स में किए जा रहे हैं, प्रक्रियाओं को सरलीकृत किया जा रहा है। हमारी इंडस्ट्री में चूंकि एनवायरनमेंटल

क्लियरेंस और एनवायरनमेंटल इश्यूज का बहुत बड़ा हाथ होता है, इसलिए हमने उस पर बहुत फोकस किया है। हमने चार इंडस्ट्री स्टेकहोल्डर्स कंसल्टेशन्स किए। उनकी समस्याओं को नोट करके हमने पर्यावरण, वन और जलवायु परिवर्तन मंत्रालय के साथ इसे टेक-अप किया है। इसमें दो बैठक सचिव के स्तर पर भी हुई हैं। सरलीकरण से संबंधित बहुत सारी ऐसी प्रक्रियाएं हैं, जो वे कर रहे हैं। जैसे कि हमारी इंडस्ट्री की रिक्वेस्ट थी कि डीप-सी डिस्वार्ज के नॉर्म्स बहुत स्ट्रिजेंट हैं, तो इसको थोड़ा-सा खोला जाए और इसमें जो स्टडी बहुत समय ले रही है, इसको जल्दी पूरी की जाए। इसे हमने टेक-अप किया। वह स्टडी पूरी हुई है। इसी बीच, इनके लिए इन नॉर्म्स में छूट भी दी गयी है। इसी प्रकार से, हमने उनके साथ जो भी इश्यूज टेक-अप किया, उसमें पर्यावरण, वन और जलवायु परिवर्तन मंत्रालय का रिस्पॉन्स काफी अच्छा रहा है। उन्होंने कई चीजों को किया है, जैसे हैज़ार्डस केमिकल्स को कहीं भी डिस्पोज़ करने के लिए या उनके वेस्ट के डिस्पोजल के लिए एस.ओ.पीज़. की आवश्यकता होती है। पहले ये एस.ओ.पीज़. नहीं थीं। हमने उनके साथ इसे टेक-अप किया और आज की तारीख में इस काम को एक्सपेडाइट करके वे 125 केमिकल्स की एस.ओ.पीज़. बना चुके हैं और अब करीब 15 या 16 केमिकल्स की ही एस.ओ.पीज़. पेंडिंग रह गयी हैं। इस तरीके से हमारी इंडस्ट्री की जो भी समस्याएं होती हैं, उन्हें हम पर्यावरण, वन और जलवायु परिवर्तन मंत्रालय के साथ टेक-अप करके इसको सरलीकृत कराने की चेष्टा भी कर रहे हैं।”

XIII Chemicals and Petrochemicals Industry

84 When Committee desired to know about the steps taken by the Department to strengthen the Chemicals and Petrochemicals Industry and measures taken by the Department to increase India's share of Chemicals & Petrochemicals exports in the global market, the Department in their written reply submitted as under:-

The chemical and petrochemical sector is a critical component of India's industrial ecosystem, providing essential raw materials and intermediates to a wide range of downstream sectors including automobiles, textiles, pharmaceuticals, nutraceuticals, medical devices, agriculture, agrochemicals, fertilizers, consumer goods, industrial machinery, construction chemicals, and electronics and semiconductors. The Chemical sector is an unregulated sector and has been growing well over the years, catering not only to the needs of the chemical industry but also to several downstream industries, as mentioned above. However, in order to meet our aspirational development goals, the Government has taken several measures to further boost the sector.

(I) Measures relating to Infrastructure:

- **Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR):** To attract investments in chemicals & petrochemicals sector, Department had notified the Petroleum, Chemicals and Petrochemical Investment Region (PCPIR) Policy. PCPIRs are conceptualized as cluster-based model of Development with common infrastructure and support services. Three PCPIRs have been set up at Dahej (Gujarat), Vishakhapatnam–Kakinada (Andhra Pradesh) and Paradeep (Odisha). Currently, 2,246 chemical units are functional in these PCPIRs having a cumulative investment of Rs. 3,49,192 crore and these regions have generated employment of 3.7 lakh persons.

- **Plastic Parks:** The Department implements the Scheme for Setting up of Plastic Parks under the scheme of New Scheme of Petrochemicals. The Scheme promotes setting up of need-based Plastic Parks with requisite state-of-the-art infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. Under the Scheme, the Government of India provides grant funding up to 50% of the project cost to the State Government subject to a ceiling of Rs. 40 crore per project. In accordance with the Scheme Guidelines, 9 Plastic Parks have been approved so far and the same are at different levels of implementation.
- **Chemical Parks:** The Government has announced an initiative to launch a new scheme for the establishment of three chemical parks under the challenge route, with a budget allocation of Rs 600 crores for 2026–27. The details of the proposed Chemical Parks Scheme have been provided in response to Questions 1-7 of this note.

(II) Integration with Global Value Chains:

In order to increase the integration of the Indian chemical and petrochemical sector with global value chains, the Government has entered into various Comprehensive Economic Partnership Agreements and Free Trade Agreements with different countries and regional blocs in recent years. These include Oman, the United Kingdom, the UAE, the European Free Trade Association, Australia, New Zealand, and, most recently, the EU and the USA.

(III) Research and Development of the Chemical Sector

Centre of Excellence: The Department of Chemicals and Petrochemicals has formulated a scheme on setting up of Centres of Excellence. The objective is to provide grant-in-aid to educational and research institutions to improve existing technology and promote development of new applications of polymers and plastics. The emphasis of the Scheme is on modernization and upgradation of existing manufacturing processes as well as improving the quality of products. Under the scheme, the Government of India provides financial support up to 50 per cent of the total project cost subject to an upper limit of Rs. 5 crores. So far, 18 CoEs have been approved under the Scheme. Earlier, the CoE scheme was only available for petrochemical sector. Now, the revised scheme includes chemicals sector also.

(IV) Skilling related measures:

In order to address the needs of skilling and human resources in the sector, the Department through The Central Institute of Petrochemicals Engineering &

Technology (CIPET) has been engaged in skill development, technology support, as well as academic and research activities for the promotion of the petrochemical and allied industry in the country. CIPET has 48 centers across the country. During 2024-25, CIPET provided training to 75,763 persons and during 2025-26 (till 15.01.2026), 46,381 persons have been imparted skill training.

(V) Sustainable Development and related measures:

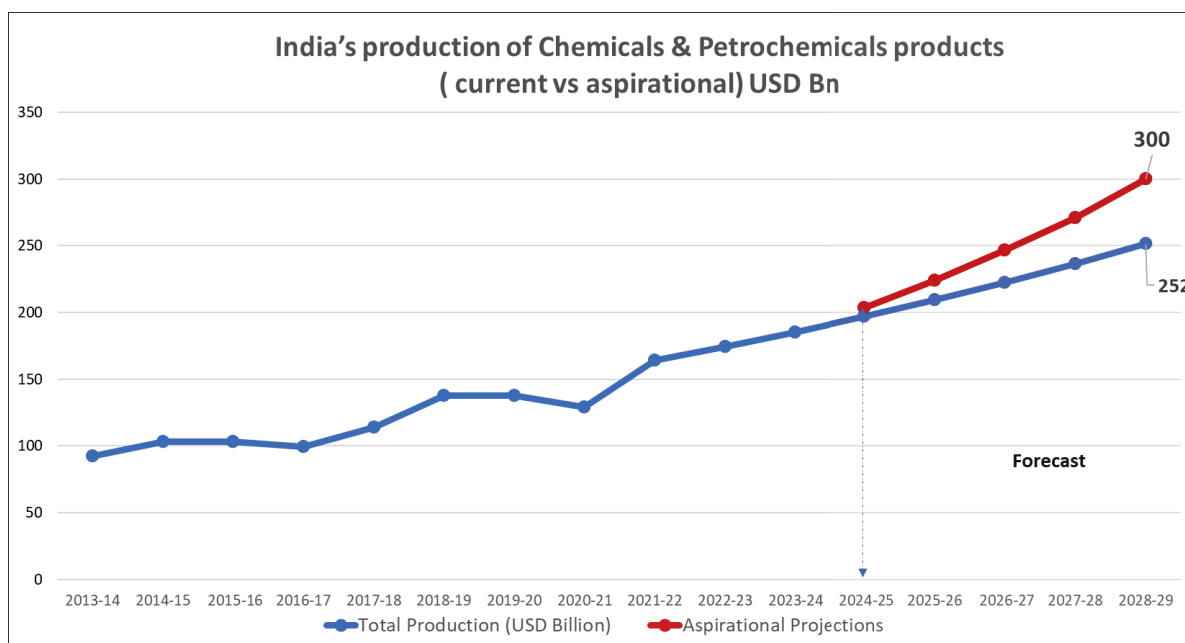
- Through CIPET and the Centres of Excellence (CoEs), the Department has promoted research in the areas of bioplastics and their applications, as well as sustainable packaging solutions using biopolymers, etc.
- Further, in order to develop and promote compostable/biodegradable plastic materials as a replacement for single-use plastics, the Department, through CIPET, has established testing facilities at 11 centres to assess the biodegradability of such materials in soil as per the laid-down standards.
- DCPC has also approved 04 Plastic Waste Management Centres (PWMCs), out of which 03 are already functional at Varanasi, Bhagalpur and Bengaluru. These Centres demonstrate various Plastic recycling techniques and provide effective plastic waste management solutions. They may also facilitate start-ups/ prospective entrepreneurs in the relevant field of recycling, create awareness on good practices of recycling and bridge policy objectives with industrial practice, thereby supporting initiatives such as Plastic Waste Management Rules, EPR, and Swachh Bharat Mission.
- CIPET has conducted 39 workshops or conferences on single-use plastics for the industry. Further, CIPET is going to organize five one-day seminars under CPDS to promote sustainable plastic waste management and circular economy practices. The programmes at Chandrapur and Bhagalpur will focus on recycling innovations and policy frameworks; Baddi on industry-led practices and skill development; Varanasi on advanced recycling technologies; and Bihta on emerging trends and resource optimization.
- The Department has also organised Sustainability Conclaves in collaboration with the Indian Chemical Council (ICC), focusing on the promotion of a Circular Economy in the Chemical and Petrochemical sector. So far, seven editions of the conclave have been successfully held.

85. As regard the Indian Chemicals & Petrochemicals Trade Scenario, the following information was submitted: -

- (i) India's exports in Chemicals & Petrochemicals sector in FY 2024-25 was Rs. 3.92 lakh crores which was 10.60% of India's total merchandise exports for FY 2024-25.

- (ii) India's exports in Chemicals & Petrochemicals sector in FY 2025-26 (till November 2025) is Rs. 2.62 lakh crores which is 10.34% of India's total merchandise exports for FY 2025-26.

86. Graphical representation of Current State Vs Target/Aspirational Growth in Chemicals and Petrochemicals Sector



XIV Future initiatives (Budget Highlights)

87. Talking about the new highlights in the in the Union Budget 2026, the Secretary DCPC has informed the Committee which is as under:-

“In the Union Budget 2026, a scheme to support States in establishing three dedicated chemical parks has been announced, which would help enhance domestic chemical production and reduce import dependency. These will be established through a challenge route on a cluster-based plug-and-play model and a budget outlay of Rs. 600 crore has been earmarked for this purpose for the Financial Year 2026-2027.

Apart from this, the chemical sector has also been identified as one of the five priority sectors for promoting CCUS, which is Carbon Capture, Utilisation and Storage applications; technologies; and their end-use applications. So, these are the two new developments which have taken place in this year's Budget. Apart from that, we have also signed FTAs with United Kingdom and Oman, and negotiations are going on with New Zealand and EU. We have also signed a trade agreement with EFTA. Negotiations are going on with USA also. Apart from this, we have prepared 46 HSN codes covering 49 chemicals and out of them, 26 have been accepted by Department of Revenue in this year's Budget and they have been notified. Apart from this, about 38 Quality Control Orders have been revoked to facilitate availability of raw material, etc., for the downstream industry”.

88. When Committee desired to know about the details of key provisions and objectives of the new scheme announced in the Union Budget 2026-27 for establishing dedicated Chemical Parks, the Department in written submitted as under:-

“In view of the recent Budget announcement, a new scheme is proposed to strengthen the domestic chemical and petrochemical manufacturing ecosystem. The scheme formulation is currently underway pursuant to the Budget announcement, and detailed modalities are being worked out. The scheme proposes development of three dedicated Chemical Parks, each with an area of 8 square kilometres.

The proposed scheme envisages the creation of common infrastructural facilities and basic utilities tailored to the needs of the chemical industry. The following objectives are proposed to be addressed through the proposed scheme:

(i) Empowering India’s Chemical Growth

The objective of the Chemical Park Scheme is to accelerate the growth of the Indian chemical and petrochemical sector. The scheme is to enhance domestic production capacity, thereby contributing to overall economic growth towards achieving the vision of Viksit Bharat @2047

(ii) Development of Integrated Chemical Parks

Through the establishment of world-class, plug-and-play chemical parks, the scheme seeks to create integrated manufacturing ecosystems and improve logistics efficiency.

(iii) Enhancement of Cost Competitiveness

The proposed scheme aims to enhance the cost competitiveness of the Indian chemical industry.

(iv) Promotion of Sustainable Industrial Development

The scheme aims to promote environmentally sustainable industrial development by providing common infrastructure for waste management, centralized effluent treatment, and adoption of circular economy principles.

Implementation of the Scheme:

The scheme proposes a minimum area of 8 sq.km for each of the three chemical parks. The Central Government shall provide a capital support towards the cost of common infrastructural facilities and basic utilities subject to a ceiling of Rs 1000 Crores per chemical park. The State Government would bear the land cost and the remaining project cost.

As per the budget announcement, an allocation of Rs 600 crores has been made for the financial year 2026–27. While the scheme is currently being formulated, it is expected that the total overall financial outlay of the scheme would be close to Rs 3000 Crores, since the scheme would run for a duration of 5 years. The state that fares the best in terms of the proposals submitted pursuant to the commencement of the scheme will be selected based on the laid-down evaluation criteria.

The major interventions/components of the Chemical Parks Scheme are as follows:

(1) Provision of Common Infrastructure and Utilities: Each Chemical Park

shall be supported with common infrastructure facilities and basic utilities.

- **Common Infrastructure Facilities:** Each Chemical Park will be equipped with essential shared infrastructure, including internal road networks, power supply, logistics facilities, liquid and gas storage terminals, interconnected pipeline systems, Treatment Storage–Disposal Facilities (TSDf), deep-sea discharge facilities.
- **Availability of Basic Utilities:** The parks will have common utility services such as Central Effluent Treatment Plants (CETPs), water supply and distribution systems, steam generation and distribution networks, solvent recovery and distillation units.

(2) **Plug-and-Play Industrial Infrastructure:** The scheme adopts a plug-and-play model, under which pre-developed industrial plots with ready access to basic utilities and common infrastructure shall be provided to industrial units.

Further, the ₹20,000 crore allocation for Carbon Capture, Utilisation and Storage (CCUS) and the Chemical Parks initiative are distinct in their objectives, with CCUS primarily aimed at reducing industrial carbon emissions and advancing climate commitments, while the Chemical Parks initiative seeks to develop world-class infrastructure, shared utilities, and cluster-based efficiencies to strengthen domestic chemical manufacturing.

89. On asking about the work done in the field of Carbon Capture and Department initiatives towards carbon Capture, the Secretary, DCPC replied as under:-

“सर, आपने कार्बन कैप्चर की बात कही। इसमें अभी हम इनिशियल स्टेज पर हैं। हम टेक्नोलॉजी डेवलप करने की कोशिश कर रहे हैं। कार्बन कैप्चर स्टोरेज यूटिलाइजेशन है। इसमें मिनिस्ट्री ऑफ पावर लीड मिनिस्ट्री है। बाकी जो संबंधित विभाग हैं, वे भी उसमें अपना-अपना काम कर रहे हैं। बेसिकली, इस एरिया में अभी हम टेक्नोलॉजी डेवलपमेंट की स्टेज पर हैं। आपने कहा कि इस एरिया की इम्पॉर्टेंस बहुत है और इस पर काम करने की जरूरत है। इसी को समझ कर इस बार की बजट में 20,000 करोड़ रुपये का प्रावधान किया गया है। यह इसकी आवश्यकता को समझ कर ही किया गया है।

सर, केमिकल इंडस्ट्री को एक तरीके से पांच प्रायोरिटीज सेक्टर में रखा गया है। इसमें पहले से चर्चा चल रही है। हमारी इंडस्ट्री में अभी बहुत काम नहीं हुआ है। अभी दो-तीन पायलट प्रोजेक्ट्स प्राइवेट इंडस्ट्री ने शुरू किए हैं और एक-दो का कमर्शियलाइजेशन हुआ है। तूतीकोरिन में करीब 350 करोड़ रुपये का एक प्रोजेक्ट चल रहा है। अभी यह काम काफी इनिशियल स्टेज पर है। मुझे ऐसा लगता है कि यह तब था, जब तक सरकार की तरफ से कोई असिस्टेंस नहीं घोषित किया गया था। अब जब यह आ गया है तो मुझे लगता है कि इंडस्ट्री की तरफ से बहुत अच्छा रिस्पॉन्स होगा। हमने इंडस्ट्री से इस बारे में बात भी की है। अभी उनका रिस्पॉन्स बहुत अच्छा है। मुझे लगता है कि अब हमारी इंडस्ट्री भी इसमें आगे सोचेगी और इस पर जरूर काम करेगी।”

PART-II

Observations/Recommendations

1. Projected and Allocated BE for the year 2026-27

The Committee note that the Department sought BE of Rs. 199.76 crore for the financial year 2026-27 but an amount of Rs. 185.72 crore has been allocated to it. The projected BE of the Department has been reduced by an amount of Rs. 14.04 crore by the Ministry of Finance. The reduction of allocated funds may be seen under various heads/schemes. The Department sought BE of Rs. 61.00 crore for New Schemes of Petrochemicals but has been allocated a reduced amount of Rs. 52.50 crore. Similarly, for IPFT, the Department sought an amount of Rs. 9.15 crore which too has been reduced to Rs. 8.94 crore. The Committee desire that they may be apprised about the extent to which the New Schemes of Petrochemicals and functioning of IPFT would be affected due to reduced allocation of funds. At the same time, the Committee desire that the Department should analyze the reasons for the curtailment of funds sought by it for New Scheme for Petrochemicals (NSP) and IPFT. The Committee would like to be apprised by the Department in this regard.

2. The Committee note that the Budget Estimates (BE) of Rs. 185.72 crore sought for the financial year 2026-27 is less than the BE sought in the previous financial years. As regards reasons for the same, the Department has submitted that the allocation during the financial years 2023-24 and 2024-25 was higher due to provision of Govt. Loan to HIL(INDIA) Ltd. Further, in addition to it, in financial year 2026-27 there was less demand for funds from the autonomous bodies i.e. CIPET and IPFT. As such, the Committee would like be apprised of

the reasons for the lesser requirement of funds by the autonomous bodies like CIPET and IPFT. At the same time, the Committee recommend that as far as possible BE sought by the Department should be consistent. The Committee would like to be apprised of the steps taken by the Department in this regard.

3. The Committee note that BE sought by the Department during the year 2023-24 was Rs. 173.45 crore which was enhanced to 572.63 crore at RE stage. As regards this enhancement, the Department has submitted that it was due to budget provision of Govt. loan of Rs. 486.74 crore to HIL India Limited. If, this loan amount of Rs. 486.74 is deducted from the RE which is 572.63, the RE of the Department comes to just Rs. 85.89 crore only. Similarly, during the financial year 2024-25, the Department sought BE of Rs. 259.11 crore which was enhanced to 261.99 crore and as regards this enhancement, the Department has again submitted that it contains a loan component of Rs. 120.06 crore as Govt. loan to HIL (India) Ltd. And after deducting this loan component the RE of the Department for the year 2024-25 comes to Rs. 141.93 crore and for the year 2025-26, the BE sought by the Department is Rs. 194.05 crore which is reduced to Rs.185.57 crore. Thus during the year 2023-24, the RE of the Department was just 85.89 crore which has enhanced subsequently in the years 2024-25 and 2025-26 to Rs 141.93 crore & Rs. 185.57 crore respectively. The Committee would like to know the huge difference between the RE 2023-24 and RE for the year 2024-25 and 2025-26.

4. As regards the actual expenditure, the Committee note that it has been less than the allocated RE for the last three financial years consecutively. The RE for the year 2023-24 was 572.63 crore but the actual expenditure stood at Rs.474.67 crore and an amount of Rs. 97.96 crore remained unspent. Similarly for the year 2024-25, the RE was Rs. 261.99 crore but the actual expenditure was

Rs. 256.38 crore and an amount of Rs. 5.61 crore remained unspent. For the year 2025-26 too, out of the allocated RE of Rs. 185.57 crore, an amount of Rs. 149.45 crore could be spent as on 20.02.2026. In this regard, the Department has submitted that the actual expenditure for the last three years is in accordance to the RE allocation and since the RE for the FY 2023-24 and 2024-25 were having a onetime budget provision of Loan to HIL (India) Ltd, hence it appears to be in the higher side in comparison to FY 2025-26. An amount of Rs.256.38 crore was utilized for the FY 2024-25 against the allocated RE of Rs.261.99 crore which is approx. 97.85% of the allocated RE 2024-25. The Department has also submitted that it will make its best efforts to fully utilize the funds allocated at RE 2025-26. The Committee hope and trust that the Department would initiate steps for optimal utilization of the allocated funds in future.

5. Allotment of Plastic Parks

The Committee note that the scheme of Plastic Park was introduced way back in the year 2013 with the objective to promote chemical industry. However, after a lapse of about 13 years, the Committee note with concern that the ten Plastic Parks approved are still at various stages of implementation. Further, the Committee have been apprised that only 309 out of 919 plots available in Plastic Parks could be allotted so far. Moreover, out of the 309 plots allotted only 51 plots are stated to be functional in terms of the total number of plots, only 6% are currently functional. It is further noted that no plots have been allotted in the Plastic Parks located in Karnataka, Tamil Nadu, and Deogarh. The Committee expresses serious concern over the slow progress in the establishment and allotment of plots in the Plastic Parks. The Committee therefore recommend that the Department should work in close coordination

with the respective State Governments to allot the remaining plots across all Plastic Parks in a time bound manner. The Committee would like to be apprised of the steps taken in this regard.

6. Allotment of Parks to the Real users

The Committee had raised apprehensions that several investors purchase plots for investment purposes, thereby depriving genuine end users of the opportunity to get benefit from the scheme. However, the Department has clarified that no such instances of investors obtaining plot allotments in Plastic Parks in violation of the prescribed norms have come to the notice of the Department. The allotment of plots in Plastic Parks is undertaken by the respective State Governments and/or the Special Purpose Vehicles (SPVs) in accordance with their approved land allotment policies, guidelines, and eligibility criteria. These policies generally require applicants to demonstrate their intent and capacity to establish and operate manufacturing units as per their guidelines. The Committee desire that utmost care be taken in allotment of plots so that only the genuine users get the allotment of plots in the Plastic Parks.

7. Promoting the use of Bio Pesticides

The Committee note that the Bio-pesticides are environment friendly and yield long-term benefit but are slow to act whereas Chemical pesticides, act-fast but have adverse effects on the soil and human health over prolonged use. The Committee, in this regard, had noted during oral evidence that though the farmers are ready to use the Bio Pesticides but Bio Pesticides are not readily available in the market. The Committee, therefore, recommend that the Department should work towards promoting the use of Bio-Pesticides and they

must educate farmers about long term benefits and effectiveness of using Bio-Pesticides in the fields so as to develop its acceptability towards farmers besides ensuring availability of Bio Pesticides. The Department has submitted in this regard that the Central Insecticides Board and Registration Committee (CIB&RC) under the Department of Agriculture and Farmers Welfare grants the registration/license for manufacturing, sale, and distribution of all types of pesticides/weedicides including biopesticides. The Committee therefore urge the Department to take the matter with the Department of Agriculture and Farmer Welfare to ensure ample availability of Bio-Pesticides across the country. The Committee may be apprised of the steps taken in this regard. The Committee recommend that Department should educate farmers about safe use of Bio pesticides through farmers awareness programmes. At the same time, they should also be encouraged to use bio-pesticides as a safer and eco-friendly option.

8. Ensuring Transfer of optimal Formulations to Industry

The Committee note that the IPFT have been in existence for the last 36 years. The Committee note with concern that during this time period of 36 long years, IPFT could formulate only 86 formulations. Moreover, out of the 86 formulations, only 64 could be transferred to the industry. In this regard, the Committee note that the formulations development by the IPFT is undertaken after assessment, technical evaluation and consultation with industry and the formulations are developed based on their existing and emerging need. The Committee are astonished to note the fact that even after developing the formation after assessing the need of the industry, IPFT is struggling to transfer its 22 formulations. In this regard, during oral evidence, the Committee have been informed that IPFT is now focusing on Bio pesticides which is a Research

and Development activity. The Committee outrightly reject this contention of the IPFT and are of the view that the IPFT while focusing on Bio Pesticides should work equally towards transfer of its formulation. IPFT has also submitted that after development of formulations, it has to undergo laboratory trial for its efficacy and safety purpose. The Committee are of the view that the IPFT must streamline its functioning and expedite its functions related to transfer of 22 remaining formulations. The Committee would like to be apprised of the steps taken by the Department as well as by the IPFT in this regard.

9. **Diversifying the role of IPFT/utilizing the full potential of IPFT**

The Committee note that the Institute of Pesticide Formulation Technology (IPFT) was established in the year 1991 and engaged in development of user and environment friendly new generation pesticide formulation technologies, their analysis, efficacy and phytotoxicity studies. The Committee further note that the institute has three functional verticals, viz., Formulation Development, Analytical Characterization and Bioscience activities. And the 'Formulation Development' vertical has pilot plant facilities that can scale up lab scale research to a commercial production with optimum budget and has the capacity to produce the formulations upto 100 kg per shift. In this regard, the Committee were informed during oral evidence that the IPFT is a research and development institute and is not involved in the production and marketing of any formulations. Further, at IPFT the technologies of pesticide formulations are developed and transferred to different industries for commercialization activities only. Intriguingly, though IPFT is a research and development institute and not involved in the production and marketing of any formulation, its Formulation Development Vertical shows production capacity

to manufacture the formulation upto 100 kg per shift. Apparently, the production facility at IPFT is lying idle. The Committee desire that they be apprised of concrete reasons in this regard. Under these circumstances when the production facility already exist at IPFT, the Committee may recommend that it explore the full potential of the Formulation Development Vertical and consider the expansion of its activities from mere formulation development to actual production and its sale in the market.

10. Vacant Posts in IPFT

The Committee note that IPFT had a total sanctioned strength of 40, out of which, 13 posts have elapsed over a period of time and the working strength of the Institute at present is only 16, including 10 Scientific posts. Further, 10 posts are vacant for which recruitment process is stated to be in progress. The Committee therefore, recommend that IPFT should fill up the vacant posts at the earliest to ensure that the functioning of the institute is not hampered due to shortage of officers/staff. The Committee also recommend that Department should also ensure timely completion of the recruitment process.

11. Upgradation of CIPET as Central University

The Committee note that the CIPET is a technical educational institution under the Department, engaged in skill development, technology support, as well as academic and research activities for the promotion of the petrochemical and allied industry in the country. Further, the CIPET has 48 Centres across the country which includes 9 Institutes of Plastics Technology (IPTs), 32 Centres for Skilling and Technical Support (CSTS), 03 Schools for Advanced Research in Polymers (SARP) and 4 sub- centres. The Committee are of the view that a renewed vision of CIPET is required to cope with the modern day's requirements

of Research and Development with regard to the utility of plastics and polymers. The Committee are of the considered view that if CIPET is embossed with the status of Specialised Central University with due recognition by AICTE and UGC, it has the potential of skilling youth by providing them with quality training and placement opportunities. The Committee, therefore, desire that the Department should explore the feasibility and apprise the Committee accordingly.

12. Petroleum, Chemical and Petrochemicals Investment Region (PCPIR)

The Committee was informed that the Government of India notified the Petroleum, Chemical and Petrochemical Investment Region(s) (PCPIR) Policy, 2007 to attract investment and for generation of employment in the Petroleum, Chemical and Petrochemical Investment Region(s). The objective of PCPIR Policy 2007 was to promote the Chemical and Petrochemical sector in an integrated and environment friendly manner. At present, three Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) are being implemented in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep) to promote investment and industrial development in these sectors. It was further informed that till date, a total investment made in all three PCPIRs amounts to Rs. 3,49,192 Crore. Despite this huge investment, there are no specific targets fixed for number of units, investments by the industry and employment in the PCPIR Policy. Further, the Department has submitted that so far it has not received any proposal from the State Governments for providing Viability Gap Funding under this Policy and 'NIL' budgetary allocation has been made and no expenditure has been incurred by the Department under the PCPIR Policy, 2007. The Committee, therefore, recommend that the Department should seriously go into deeper introspection

in coordination with the State Governments as well as investors/stakeholder involved and come out with a solution. The Committee would like to be apprised on the steps taken by the Department in this regard.

13. Approved and functional Centre of Excellence (CoEs)

The Committee note that the Scheme of CoEs seeks to provide grant-in-aid to Government educational and research institutions to undertake research to improve existing technology and promote the development of new applications. The Committee further note that the Standing Finance Committee, in its meeting held on October, 2021 had approved setting up of 11 new CoEs. However, out of these 11 new CoEs, the Department had approved 02 CoEs in the year 2022 and 05 CoEs in the year 2024. As such 04 CoEs are yet to be approved and made functional. The Committee, therefore, recommend that remaining CoEs be approved and establish at the earliest. The Committee may be apprised about the present status of 02 CoEs approved in the year 2022 and 05 CoEs approved in the year 2024.

14. Filing of Patents and Development technologies by CoEs

The Committee have been apprised that so far, the 18 CoEs approved under the scheme could file 80 patents only and have developed 96 technologies/products, of which 35 have been transferred to the Industry. The Committee would like to be apprised of the reasons for huge difference between the number of technologies developed and actual transferred to the industry. The Committee also recommend that appropriate initiatives may be taken to ensure that maximum number of technologies products may be transferred to the industry in near future.

15. Review of functioning of CoEs

As regards review of functioning of CoEs, the Department has submitted that the Project Monitoring Committee under the chairmanship of Deputy Secretary, DCPC, set up under the scheme, reviews the working of the CoE through online or physical visits. The CoEs are also reviewed by the Project Sanctioning Committee chaired by Secretary (DCPC), to consider release of the 2nd/3rd instalment of grant. The Department also reviews the progress of the CoEs through quarterly reports on details of patents filed/technologies/products developed. Further, the CoEs are regularly monitored by the Department through review meetings under the chairmanship of Secretary/Joint Secretary/Deputy Secretary. While appreciating the extant monitoring mechanism put in place, the Committee recommend that the review processes of CoEs must be intensified so that funds allocated to them are utilized in a timely manner to achieve the noble objectives of these CoEs.

16. Promoting Foreign Direct Investment (FDI)

With regard to FDI in Chemical Sector, the Committee have been apprised that the Government has adopted a liberal Foreign Direct Investment (FDI) policy framework for the Chemicals and Petrochemicals sector. Currently, 100% FDI is permitted under the Automatic Route in the Chemicals and Petrochemicals sector for both manufacturing and trading activities. Government approval is required only in cases involving investment from entities of countries sharing land borders with India. Therefore, the current FDI policy framework has

contributed to sustained foreign investment inflows into the Chemicals and Petrochemicals sector. However, a perusal of the actual data of FDI during the last five years reveals a dismal picture and does not match with the contention of the Department. The Foreign Direct Investment (FDI) in the Chemicals and Petrochemicals sector in the financial year 2021-22 was Rs. 7202 crore and in the year 2022-23 it rose to Rs. 14662 crore but fell to Rs. 6985 crore in the year 2023-24 and in the year 2024-25 it rose marginally to Rs. 8943 crore and finally got reduced to Rs. 4,598.19 crore in the year 2025-26 (Till September 2025). However, the Committee note with satisfaction that the Department has taken initiatives to position India as a preferred global destination for investments in Chemicals and Petrochemicals to attract large-scale investments which includes (i) organizing major international investment promotion events such as India Chem to showcase India's manufacturing capabilities and investment opportunities and (ii) implementing initiatives such as, namely the establishment of Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic Parks to attract investment in the sector etc. The Committee hope and trust that these initiatives would be implemented by the Department in letter and spirit for attracting higher FDI in future.

17. Farmers Training programs conducted by IPFT.

The Committee note that the IPFT had conducted 31 farmers training programmes during the last three years. During the year 2023-24, 2024-25 and 2025-26, the number of programmes conducted by IPFT is 20, 02 and 09

respectively. The Committee note with concern that only 11 farmers training programmes were conducted by IPFT during the last two years whereas in the year 2023-24, no. of programmes conducted by IPFT was 20. Moreover, the farmers training programmes were conducted in Assam, Meghalaya and Mizoram only whereas rest of the north east states have been completely left out. Further, during the years 2024-25 and 2025-26, 'Nil' no. of farmers training programmes were conducted in the North East States. The Committee therefore recommend that the Department as well as IPFT should conduct training programmes across Pan India including the north east States. The Committee may be apprised of the action taken in the matter.

New Delhi;
12 March, 2026
21 Phalguna, 1947(Saka)

Azad Kirti Jha
Chairperson,
Standing Committee on
Chemicals and Fertilizers.

Annexure-I**The Status of the 18 CoEs approved under the scheme for setting of CoEs**

(Rs. In crore)

S.No.	Title of CoE and Location	Approval Year	Total Project Cost	DCPC Approved Grant	DCPC Grant released (as on 20.02.2026)
i.	Green Transport Network (GREET) at CIPET, Chennai	2011	18.98	6.00	6.00
ii.	Sustainable Polymer Industry to research & innovation at CSIR-National Chemical Laboratory (NCL), Pune	2011	12.00	6.00	6.00
iii.	Advanced Polymeric Materials at IIT, Delhi	2013	12.00	6.00	6.00
iv.	Sustainable Polymers (SusPol) at IIT, Guwahati	2013	14.74	6.00	6.00
v.	Sustainable Green Materials at CIPET, Bhubaneswar	2013	15.04	6.00	6.00
vi.	Bio-engineered Sustainable Polymeric Systems at CIPET, Bhubaneswar	2019	10.01	5.00	5.00
vii.	Process Development, Wastewater Management in Petrochemical Industries at IIT, Roorkee	2019	13.16	4.40	4.40
viii.	Manufacturing of Next Generation Bio-Medical Devices at CIPET, Bhubaneswar	2020	10.00	5.00	4.00
ix.	Specialty Polymers for Customized Additive Manufacturing at CSIR-NCL, Pune	2019	5.60	2.80	2.26
x.	Polymer Coatings for Decorative, Protective and Strategic Applications at CSIR- Indian Institute of Chemical Technology (IICT), Hyderabad	2020	9.72	4.86	3.00
xi.	Polymers, Their Composites and Polymeric Membranes for Sustainable Development of Petroleum Industries at CSIR - North East Institute of Science & Technology (CSIR-NEIST)	2020	24.75	4.99	4.99
xii.	Sustainable & innovative Design and manufacturing of polymer-TOYS (SUNDAR - TOYS) at IIT, Guwahati	2022	10.59	5.00	1.50

xiii.	Design and Development for Value added Toys of Rubber and Allied Finished Products at Indian Rubber manufacturers Research Association (IRMRA), Thane	2022	9.87	4.93	2.50
xiv.	Coal to Acetylene and Fine Chemicals” at IIT (ISM), Dhanbad	2024	5.61	2.61	1.75
xv.	Biodegradable Packaging Materials (BioPack) at IIT, Madras	2024	9.91	4.95	1.50
xvi.	Performance Chemicals and Sustainable Polymers for Industrial Applications at CSIR-NIIST, Thiruvananthapuram	2024	15.52	5.00	2.50
xvii.	Speciality Chemicals at IIT, Kanpur	2024	11.86	4.99	1.60
xviii.	Transparent and Biocompatible Metal-Polymer Composite Based X-ray, Gamma ray and Neutron Shields for Window and Personal Protecting Apparels at CSIR-AMPRI, Bhopal	2024	3.90	1.95	0.75

**STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS
(2026-27)**

Minutes of the Fourteenth Sitting of the Committee

The Committee sat on Tuesday, the 26th February, 2026 from 1500 hrs. to 1700 hrs. in Committee Room B, PHA, New Delhi.

PRESENT

Shri Azad Kirti Jha – Chairperson

MEMBERS

LOK SABHA

2. Shri Brijmohan Agrawal
3. Shri Ajay Bhatt
4. Shri Robert Bruce C.
5. Shri Bharatsinhji Shankarji Dabhi
6. Shri Babu Singh Kushwaha
7. Shri Praveen Patel
8. Dr. Sambit Patra
9. Shri Sachithannatham R.
10. Shri Eatata Rajender
11. Shri Daggumalla Prasada Rao
12. Shri Shivmangal Singh Tomar

RAJYA SABHA MEMBERS

13. Shri Subhash Barala
14. Dr. Bhagwat Karad
15. Shri Arun Singh
16. Shri Tejveer Singh

SECRETARIAT

- | | | |
|-------------------------|---|------------------------|
| 5. Smt. Maya Lingi | - | Joint Secretary (ML) |
| 6. Ms. Miranda Ingudam | - | Director (CF&W) |
| 7. Shri Kulvinder Singh | - | Deputy Secretary(CF&R) |

WITNESSES

Representatives of the Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals

- 1 Ms. Nivedita Shukla Verma, Secretary(C&PC)
- 2 Shri Manoj Sethi, JS&FA
- 3 Shri Deepankar Aron, Joint Secretary
- 4 Shri Deepak Mishra, Joint Secretary
- 5 Ms. Divya Parmar, Economic Advisor
- 6 Shri Santosh Kumar, CCA
- 7 Shri Sangram Kumar Mishra, CMD, HOCL
- 8 Shri Kuldeep Singh, CMD, HIL
- 9 Dr. Shishir Sinha, DG, CIPET
- 10 Dr. Mohana Krishna Reddy Mudian, Director, IPFT

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Department of Chemicals and Petrochemicals (DCPC) to the sitting convened to examine the Demands for Grants (2026–27) of the Department. Drawing the attention of the witnesses to Direction 55(1) of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings of the Committee, the Chairperson asked them to apprise the Committee regarding Demands for Grants (2026–27).

3. Accordingly, the Secretary and representatives of the DCPC, briefed the Committee through a detailed Power Point Presentation on various aspects related to examination of Demands for Grants 2026-27 viz. the proposed budgetary allocations for the year 2026-27; three years trends of Budget allocation and Expenditure of the Department; an overview of the budget allocation for Financial year 2025-26 and 2026-27; an overview of Chemical Industry; Foreign Direct Investment (FDI) received in last 05 years in Chemicals Sector; Current status of approved Plastic Parks; Status of Centre of Excellences (CoEs); objective of Chemicals Promotion and development Scheme (CPDS), functioning of institutes under CIPET, objectives and achievements of IPFT during the last year; functioning of Public sector undertaking under the Department; details of compensation disbursed to victims of BGLD; notified BIS Quality Control Orders (QCOs); new initiatives undertaken by the Department. The Secretary, DCPC also informed the Committee about new schemes

announced/proposed in the Union Budget 2026-27 i.e. (i) establishment of three dedicated chemical parks with a budget outlay of Rs. 600 crore to enhance domestic chemical production and reduce import dependency and (ii) an proposed allocation of Rs 20,000 crore to support the development of Carbon Capture, Utilisation and Storage applications (CCUS). The Secretary, DCPC further apprised the Committee about the revocation of 38 Quality Control Orders to facilitate availability of raw material, etc., for the downstream industry.

4. Thereafter, Hon'ble Chairperson and Members sought certain clarifications on the issues related to examination of Demands for Grants of the DCPC for the year 2026-27 and posed several queries which inter-alia include the following:-

- (i) Nil budgetary allocation made with regard to PCPIRs by the Department;
- (ii) reasons for delay in allotment of plots in the Plastic Parks;
- (iii) budget allocated to schemes and autonomous institutes under the Department;
- (iv) key deliverables and milestone under the NPS scheme;
- (v) need to establish additional CoEs to adequately serve the growing requirements of our country's population.
- (vi) challenges faced by CIPET in attracting the desired number of students for its various courses;
- (vii) to have CIPET institute at least at Commissionerate level or upgrade it as a central University with due recognition by AICTE and UGC;
- (viii) disbursement of compensation to victims of Bhopal gas leak disaster;
- (ix) restructuring plan for the PSUs under the Department viz. HOCL, HFL etc;
- (x) Budget allocation to autonomous institute like CIPET and IPFT;
- (xi) steps taken by the department to increase FDI in the chemicals and Petrochemical sector;
- (xii) reasons for few transference of pesticides formula to industries by IPFT;
- (xiii) steps taken by the Department to popularize use of Bio Pesticides
- (xiv) outcomes of the studies, survey, seminars, conferences, exhibition, etc. conducted by the Department to facilitate development of Chemicals and Petrochemicals Industry under CPDS scheme and;

- (xv) measures taken by the Department to reduce its dependency on imports in chemical and Petrochemicals sector and to increase India's share of Chemicals and Petrochemicals exports in the global market

5. On the points requiring detailed and statistical information which was not readily available, the Chairperson asked the Secretary, DCPC to furnish written replies and also to the queries raised by the Members which remained unanswered during the sitting of the Committee, within 2-3 days.

(The witnesses then withdrew)

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

The Committee then adjourned.

STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS BRANCH

(2025-26)

Minutes of the Fifteenth Sitting of the Committee

The Committee sat on Thursday, The 12th March, 2026 from 1000 hrs. to 1030 hrs. in Committee Room 'D', Parliament House Annexe (PHA), New Delhi.

PRESENT

Shri Azad Kirti Jha– Chairperson

LOK SABHA MEMBERS

2. Shri Ajay Bhatt
3. Shri Bharatsinhji Shankarji Dabhi
4. Dr. Kalyan Vaijinathrao Kale
5. Shri Malvinder Singh Kang
6. Shri Babu Singh Kushwaha
7. Shri Utkarsh Verma Madhur
8. Shri Praveen Patel
9. Shri Balram Naik Porika
10. Shri Eatata Rajender
11. Shri Daggumalla Prasada Rao
12. Shri Tharaniventhan M.S.
13. Shri Nalin Soren

RAJYA SABHA MEMBERS

14. Shri Naresh Bansal
15. Shri Subhash Barala
16. Dr. Bhagwat Karad
17. Shri Arun Singh
18. Shri Tejveer Singh

SECRETARIAT

- | | | | |
|----|----------------------|---|------------------|
| 1. | Smt. Maya Lingi | - | Joint Secretary |
| 2. | Ms. Miranda Ingudam | - | Director |
| 3. | Shri Kulvinder Singh | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up for consideration the following Draft Reports:

- (i) XXX XXX XXX;
- (ii) XXX XXX XXX;
- (iii) Twenty-Second Report on 'Demand for Grants (2026-27)' pertaining to the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers; and
- (iv) XXX XXX XXX.

3. After some deliberations, the draft Reports were adopted by the Committee without any amendment.

4. The Committee then authorized the Chairperson to finalize the Reports and present/lay the Reports in both the Houses of Parliament in the ongoing Session of Parliament.

The Committee then adjourned.

XXX- matter does not pertain to this report.