

10

STANDING COMMITTEE ON CHEMICALS & FERTILIZERS (2014-15)

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

DEMANDS FOR GRANTS (2014-2015)

[Action Taken by the Government on the Observations/Recommendations contained in the First Report of the Standing Committee on Chemicals and Fertilizers (Sixteenth Lok Sabha) on Demands for Grants (2014-2015) of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals)]



TENTH REPORT

**LOK SABHA SECRETARIAT
NEW DELHI**

22 July, 2015 / 31 Ashadha 1935, (Saka)

REPORT

**STANDING COMMITTEE ON
CHEMICALS AND FERTILIZERS
(2014-15)****SIXTEENTH LOK SABHA****MINISTRY OF CHEMICALS AND FERTILIZERS
(DEPARTMENT OF CHEMICALS AND PETROCHEMICALS)****DEMANDS FOR GRANTS
(2014-2015)**

[Action Taken by the Government on the Observations/Recommendations contained in the First Report of the Standing Committee on Chemicals and Fertilizers (Sixteenth Lok Sabha) on Demands for Grants (2014-2015) of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals)]

Presented to Lok Sabha on 22.07.2015

Laid in Rajya Sabha on 22.07.2015



**LOK SABHA SECRETARIAT
NEW DELHI**

22 July, 2015 / 31 Ashadha 1935, (Saka)

(i)

CONTENTS

		Page No.
COMPOSITION OF THE COMMITTEE (2014-15)		
Introduction.		
Chapter I	Report	
Chapter II	Observations / Recommendations which have been accepted by the Government	
Chapter III	Observations / Recommendations which the Committee do not desire to pursue in view of the Government's replies	
Chapter IV	Observations / Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration	
Chapter V	Observations / Recommendations in respect of which replies of the Government are of interim nature	
APPENDICES		
I.	Minutes of Seventeenth Sitting of the Standing Committee on Chemicals & Fertilizers (2014-15) held on 16 June 2015	
II.	Analysis of Action Taken by the Government on the recommendations contained in the First Report (16 th Lok Sabha) of the Standing Committee on Chemicals & Fertilizers (2014-15) on 'Demands for Grants (2014-15)' of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals).	

(ii)

**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2013-14)**

Shri Anandrao Adsul - Chairperson MEMBERS LOK SABHA	
2.	Shri Idris Ali
3.	Smt. Anju Bala
4.	Shri B.N Chandrappa
5.	ShriSankar Prasad Datta
6.	Smt. Veena Devi
7.	Shri R. Dhruvanarayana
8.	Shri Satish Kumar Gautam
9.	Shri K Ashok Kumar
10.	Shri Kamalbhan Singh Marabi
11.	ShriChhediPaswan
12.	Smt. Kamala Devi Patle
13.	Shri Rajendran S
14.	Shri ChanduLal Sahu
15.	Dr. Kulamani Samal
16.	Dr. Uma Saren
17.	Dr. Krishan Pratap Singh
18.	Shri Taslimuddin
19.	Smt. Rekha Arun Verma
20.*	Shri Innocent
21.*	ShriKotha Prabhakar Reddy
RAJYA SABHA	
22.	Shri Biswajit Daimary
23.	Dr. MS Gill
24.	Shri Sanjay Dattatraya Kakade
25.	Shri Narayan LalPanchariya
26.	Shri K Parasaran
27.	Shri Garikapati Mohan Rao
28.	Dr. Sanjay Sinh
29.*	Shri Palvai Govardhan Reddy
30.%	Shri Mansukh L. Mandaviya
31.\$	Vacant

SECRETARIAT

- | | | | |
|----|----------------------------|---|---------------------|
| 1. | Smt Rashmi Jain | - | Joint Secretary |
| 2. | Shri U.B.S. Negi | - | Director |
| 3. | Shri Anil Kumar Srivastava | - | Additional Director |
| 4. | Shri Nishant Mehra | - | Under Secretary |

Changed the nomination of ShriMurliDeora, Member of RajyaSabha from the Committee on Chemicals and Fertilizers to the Committee on External Affairs w.e.f. 25-09-2014.

** ShriPalvaiGovardhan Reddy, Member of RajyaSabha nominated w.e.f. 08-10-2014*

Shri Mohanbhai KalyanjibhaiKundariya Nominated as Minister of State w.e.f. 09.11.2014

The term of ShriBrijlalKhabri, MP (RS) has expire w.e.f. 25.11.2014

Changed the nomination of Adv. Joice George, Member of LokSabha from the Committee on Chemicals and Fertilizers to the Personnel, Public Grievances, Law and Justice w.e.f. 24-12-2014.

**Shri Innocent, and ShriKothaPrabhakar Reddy, Member of LokSabhanominated w.e.f. 22-12-2014*

% ShriMansukh L. Mandaviya, Member of RajyaSabha nominated w.e.f. 31-12-2014

% Dr. Chandrapal Singh Yadav, Member of RajyaSabha nominated w.e.f. 29.01.2015

\$Changed the nomination of Dr. Chandrapal Singh Yadav, Member of Rajya Sabha from the Committee on Chemicals and Fertilizers to the Committee on Industry w.e.f. 07.05.2015

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2014-15) having been authorised by the Committee to present the Report on their behalf, present this Tenth Report (Sixteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the First Report (Sixteenth Lok Sabha) of the Standing Committee on Chemicals and Fertilizers (2014-2015) on Demands for Grants (2014-2015) of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals).

2. The First Report (Sixteenth Lok Sabha) of the Standing Committee on Chemicals and Fertilizers was presented to Lok Sabha on 10.12.2014 . The Action Taken replies of Government to all observations/recommendations contained in the Report were received on 17.3.2015 . The Standing Committee on Chemicals and Fertilizers(2014-2015) considered and adopted this Report at their sitting held on 16.6.2015.

3. An analysis of the Action Taken by the Government on the observations/recommendations contained in the First Report (Sixteenth Lok Sabha) of the Committee is given in Appendix-II.

4. For facility of reference and convenience, the observations/recommendations of the Committee have been printed in bold letters in the body of the Report.

New Delhi;

14 January, 2014

23 ASHADHA,1937 (Saka)

ANANDRAO ADSUL
Chairperson,
Standing Committee on
Chemicals and Fertilizers

REPORT

CHAPTER – I

This Report of the Standing Committee on Chemicals and Fertilizers (2014-15) deals with the action taken by the Government on the Observations / Recommendations contained in the First Report (Sixteenth Lok Sabha) of the Committee on 'Demands for Grants (2014-15)' of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) which was presented to Lok Sabha on 10.12.2014. In all, the Committee made 10 Observations / Recommendations in the Report.

2. The Ministry of Chemicals & Fertilizers (Department of Chemicals and Petrochemicals) were requested to furnish replies to the Observations/ Recommendations contained in the First Report within three months from the date of presentation of the Report, i.e. by 9.3.2015. The Action Taken Replies of the Government in respect of all the 10 Observations / Recommendations contained in the Report have been received from the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) *vide* their O.M. No.23003 (i)/2014-Fin.-I Vol. - III, dated 17.3.2015. These Replies have been examined and categorized as follows:-

- | | | |
|-------|---|---------------------------|
| (i) | Observations/Recommendations which have been accepted by the Government-
Rec. Nos. 1, 3, 4, 5, 6, 7, 8 and 10. | (Total =8)
Chapter-II |
| (ii) | Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply-
Rec. No. Nil | (Total =0)
Chapter-III |
| (iii) | Observations/Recommendations in respect of which reply of the Government have not been accepted by the Committee and which require reiteration-
Rec. No. Nil | (Total=0)
Chapter-IV |
| (iv) | Observations/Recommendations in respect of which final replies of the Government are still awaited-
Rec. Nos. 2 and 9. | (Total =2)
Chapter-V |

3. **The Committee desire that the Action Taken Notes on the Observations / Recommendations contained in Chapter-I of this Report and the Final Replies in respect of Observations / Recommendations contained in Chapter V for which final replies are still awaited should be furnished expeditiously.**

4. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations which still require reiteration or merit comments.

A. **Need to expedite to set up Reverse SEZs and action plan to produce specialty chemicals.**

Recommendation No.1

5. While noting with concern the continuous increase in import of major chemicals and petrochemicals, the Committee had recommended as under:

"The Committee note with concern that import of major chemicals and petrochemicals has been continuously increasing at the rate of 20 per cent from 2009-2013 due to gap between production and consumption in the country. While the value of import of major chemicals & petrochemicals was pegged at Rs. 202347 crore and its share in the total imports was 7.6% during 2012-13, the same rose to Rs. 234258 crore contributing 8.6% to the total imports during 2013-14. During the course of evidence, the Committee were informed that there is a shortage of feedstock like gas and petrol for petrochemicals companies in the country and therefore, these companies have to import the feedstock which leads to increase in cost and other associated problems. The Committee were also informed that in order to address the shortage of feedstock for the petrochemicals companies, the Government has conceptualized to set up Reverse SEZs in foreign countries primarily in oil rich countries like Iran and Myanmar where the processing plants will be set up and then the finished products will be imported to India at cheaper rates. In this context, initial discussions, exchange of ideas, concept building and cooperation with these countries have already been initiated by the Government. It was also informed that the efforts are being made to promote manufacturing of specialty chemicals which are small volume chemicals but high priced and performance chemicals. These chemicals are not used directly but they act as catalysts and change the performance of the chemicals. Most of these chemicals are produced in the West. The Committee are of the view that the chemicals and petrochemicals sector is a major segment of manufacturing industry and plays a pivotal role in various downstream industries and therefore, the Government should map out strategies for the growth of this sector reducing thereby the country's dependence upon foreign imports of chemicals and petrochemicals, boosting employment and reduction in expenditure of valuable foreign exchange. The Committee, therefore, recommend that the Department should make concerted and coordinated efforts to expedite the process of consultation with all concerned with a view to set up Reverse SEZs safeguarding the interests of Indian workers and investments in these countries. The Department should also formulate action plan to produce specialty chemicals. The Committee would like to be apprised of the initiatives taken by the Department in this regard."

Reply of the Government

6. In its action taken reply to the aforesaid recommendation, the Department of Chemicals and Petrochemicals has stated as under:

“Specialty chemical segment is declared as a thrust area. This segment with an estimated size of US\$ 23 billion and a share of 16% of the Indian chemical industry constitutes one of the largest sectors. This is a niche and sunrise sector, and to promote this segment, the following measures are envisaged:-

- Special zones are proposed to be demarcated in the PCPIRs to take care of feedstock like Ethylene Oxide to this segment.
- Government proposes to set up reverse SEZs in oil rich countries for providing feedstock to chemical sector.
- National Chemical Policy is being evolved which emphasizes the setting up of chemical clusters, building enabling infrastructure, facilitating fast track project clearances, Research & Development, green chemistry, technology up-gradation to enhance the competitive edge of this segment, as specialty chemicals are knowledge based chemicals.

The Department has taken up with the stake holding Ministries i.e. Ministry of External Affairs, Department of Economic Affairs, M/o Commerce, M/o Petroleum and Natural Gas and Department of Fertilizers to send their comments on formation of Reverse SEZs in raw material rich countries like Iran and Myanmar to ensure cheap and sustainable supply of feedstock / building blocks/ intermediates for the chemical and petrochemical industries in India, specially in the PCPIRs. As part of the consultation process, a meeting was held with the respective Ministries and FICCI. FICCI, one of the industry representatives and played important role in these interactions, has been requested to provide information of companies interested to invest in such Reverse SEZs through Joint Ventures and identify the chemical/ petrochemical feedstocks / building blocks for the purpose. Final decisions in the matter will be taken only after examination of policy regimes investment, guarantees provided by the Government to Indian investors / promoters, pricing policies on long-term supply of Crude Oil / Natural Gas, export-import and setting up of industrial zones in the countries identified. In case of Iran, the interactions have been held with Ambassador of India in Iran and Secretary, Department of Chemicals and Petrochemicals to facilitate discussions / interactions with Government Agencies / Companies in Iran about the possibilities and modalities to develop Reverse SEZs model through collaboration / joint ventures."

Comments of the Committee

7. While noting with concern the continuous increase in import of major chemicals and petrochemicals at the rate of 20 per cent from 2009 to 2013 and shortage of feedstock like gas and petrol for petrochemicals companies in the country, the Committee had recommended that the Department should make concerted and coordinated efforts to expedite the process of consultation with all concerned with a view to set up Reverse SEZs and formulate action plan to produce specialty chemicals. In its Action Taken Reply, the Department has stated that specialty chemical segment has been declared as a thrust area and to promote this

segment, various measures are proposed to be envisaged like demarcation of special zones in PCPIRs to take care of feedstock, setting up of reverse SEZs in oil rich countries for providing feedstock to chemical sector and to evolve National Chemical Policy which emphasizes the setting up of chemical clusters, building enabling infrastructure, facilitating fast track project clearances, Research & Development, green chemistry, technology up-gradation to enhance the competitive edge of this segment, as specialty chemicals are knowledge based chemicals. According to the Department, the stake holding Ministries i.e. Ministry of External Affairs, Department of Economic Affairs, M/o Commerce, M/o Petroleum and Natural Gas and Department of Fertilizers have been asked to send their comments on formation of Reverse SEZs in raw material rich countries like Iran and Myanmar to ensure cheap and sustainable supply of feedstock / building blocks/ intermediates for the chemical and petrochemical industries in India, specially in the PCPIRs. As part of the consultation process, a meeting was held with the respective Ministries and FICCI. FICCI has been requested to provide information of companies interested to invest in such Reverse SEZs through Joint Ventures and identify the chemical/ petrochemical feed stocks / building blocks for the purpose. Final decisions in the matter will be taken only after examination of policy regimes investment, guarantees provided by the Government to Indian investors / promoters, pricing policies on long-term supply of Crude Oil / Natural Gas, export-import and setting up of industrial zones in the countries identified. In case of Iran, the interactions have been held with Ambassador of India in Iran and Secretary, Department of Chemicals and Petrochemicals to facilitate discussions / interactions with Government Agencies / Companies in Iran about the possibilities and modalities to develop Reverse SEZs model through collaboration / joint ventures. In view of the foregoing actions initiated, the Committee hope that the Department would pursue the matter vigorously and expedite the process of consultation/interaction with all concerned so that Reverse SEZs could be set up in collaboration/joint ventures at the earliest which in turn would ensure cheap and sustainable supply of feedstock / building blocks/ intermediates for the chemicals and petrochemicals sector . In this context, the Committee would like the Department to urge FICCI to expedite the requisite information of companies interested to invest in Reverse SEZs through Joint Ventures and identify the chemical/ petrochemical feed stocks / building blocks for the purpose. The Committee would like the Department to apprise them of the initiatives undertaken and the progress made in the matter.

B. Expeditious finalization of National Chemical Policy document

Recommendation No. 2

8. While noting with distress that chemical manufacturing companies are a major source of environment pollution, the Committee had recommended as under:

"The Committee are distressed to note that chemical manufacturing companies are a major source of environment pollution. The hazardous wastes are reportedly being discharged by the factories without being treated, causing environment and water pollution in and around the complex of the factory adversely affecting the human health as well as aquatic life of the region. During the course of evidence, it was reported that industrial wastes are being pumped into Hussain Sagar, a lake situated at the heart of Hyderabad city, polluting the lake and causing skin disease to the nearby residents, etc. The issue is assuming critical dimensions leading to soil degradation, water pollution, coastal pollution adversely affecting pisciculture and aquaculture and the livelihood of fishermen community, etc. The Committee also firmly believe that economic growth cannot be sustained without taking care of the environment. During the course of evidence, the Secretary of the Department was candid enough to accept the fact that awareness about environment and environment compatibility is very poor in India. The toxic and hazardous wastes discharged by the chemical factories are contaminating our water bodies and turning our soil into barren land. According to him, though the regulatory power enforcing environment compatibility norms rests with the Ministry of Environment and Forest and only they have the authority to issue orders and punish the culprits, however, the Department will come out with a Policy in this regard soon. In this regard, the Committee were also informed that a National Chemical Policy is being prepared by the Department on the issue which will be brought out very soon. After various rounds of consultations with all the stakeholders during the period from July 2012 to December 2013, the updated version of draft policy have now been sent for Inter-Ministerial consultation and the policy document is expected to be finalized soon. According to the Department, the Policy aims to make strategies for sustainable growth and development, increasing investments, ensuring feedstock availability, R&D promotion and that the emphasis has been on Green Chemistry, HRD, technology up-gradation, disaster management, safety in chemical plants, etc. The Committee are of the strong view that the Department cannot escape their responsibility on the issue and being the nodal authority, it is their primary duty to allow establishment of only those factories which are environmentally compatible. The Committee believe that the said policy would address the various problems afflicting the chemicals and petrochemicals sector in the country. The Committee, therefore, recommend that the process of consultation on the National Chemical Policy and finalization of the policy document incorporating both the growth of the sector and environmental sustainability may be expedited. The Committee also desire that the Department should take remedial measures in coordination with Ministry of Environment, Forest and Climate Change and with all concerned to check pollution caused by the chemical factories. The Committee expect to be apprised of the initiatives taken by the Department in this regard."

Reply of the Government

9. In its action taken reply to the aforesaid recommendation, the Department of Chemicals and Petrochemicals has stated as under:

"Compliance with environment standards is imperative for the long-term viability of the chemical sector. Central Pollution Control Board under Ministry of Environment and Forests and State Pollution Control Boards of different states are the regulatory authorities for monitoring implementation of water pollution and air emission

standards for different sectors of the industry under relevant provisions of Water (Prevention & Control of Pollution) Act 1974 and Air (Prevention & Control of Pollution) Act 1981. MoEF & CC is the nodal Ministry to enforce compliance with the above regulatory framework by the chemical units with respect to implementation of environment related measures.

- DCPC has formulated a draft National Chemical Policy which envisages the promotion of sustainable and green technologies. Awareness workshops are conducted by the Department for implementation of Green Technologies in the industrial undertakings.
- The Department conducts workshops for adoption of different codes of Responsible Care for creating awareness about environment friendly and green technologies to control pollution.
- The Department is working on the Swachh Bharat Abhiyan to check pollution from industrial wastes."

Comments of the Committee

10. The Committee were distressed to note that chemical manufacturing companies are a major source of environment pollution. It was also reported that the hazardous wastes are being discharged by the factories without being treated, causing environment and water pollution in and around the complex of the factory adversely affecting the human health as well as aquatic life of the region. The Committee were of the strong view that the Department cannot escape their responsibility on the issue and being the nodal authority, it is their primary duty to allow establishment of only those factories which are environmentally compatible. The Committee believed that the policy being evolved by the Department would address the various problems afflicting the chemicals and petrochemicals sector in the country. The Committee, therefore, had recommended that the process of consultation on the National Chemical Policy and finalization of the policy document incorporating both the growth of the sector and environmental sustainability may be expedited. The Committee also desired that the Department should take remedial measures in coordination with Ministry of Environment, Forest and Climate Change (MoEF & CC) and with all concerned to check pollution caused by the chemical factories. In its Action Taken Reply, however, the Committee regret to note that the Department has placed the entire responsibility on MoEF & CC and State Pollution Control Boards to enforce compliance of regulatory framework for monitoring implementation of water pollution and air emission standards for different sectors of the industry under the relevant provisions of the Acts. The Department is also conspicuously silent about the details of the National Chemical Policy and its present status including the time by which the said Policy is likely to be finalized and implemented. In view of this, the Committee are not satisfied with the reply of the Department and reiterate that the Department cannot escape its responsibility on this issue and hence, the Department should not allow

establishment of those factories which are not environmentally sustainable and compatible. The Committee, therefore, reiterate its recommendation that the Department should take initiatives in coordination with MoEF & CC and States Pollution Board to check environmental and water pollution being caused by the chemical industries.

The Committee also recommend that concerted and vigorous efforts be made to expedite the formulation of National Chemical Policy which envisages the promotion of sustainable and green technologies. The Committee would like to be informed about the initiatives undertaken by the Department and the progress made in this regard.

C. Expeditious execution of PCPIR projects.

Recommendation No. 7

11. While expressing expeditious execution of PCPIR projects, the Committee had recommended as under:-

"The Committee note that the concept of Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) is a cluster approach to promote the Petroleum, Chemical and Petrochemical sectors in an integrated and environmental friendly manner, on a large scale. The PCPIR policy was formulated in April 2007 to give a boost to this sector. At present, PCPIR projects are being set up in four States of Gujarat, Andhra Pradesh and Odisha and Tamil Nadu. All these PCPIRs except Tamil Nadu, have made some progress. As for Tamil Nadu PCPIR, the Department has signed Memorandum of Agreement with Government of Tamil Nadu in February 2014 and it has yet to make any significant progress. The Department has also constituted a Steering Committee for each of the PCPIRs except Tamil Nadu to monitor the implementation progress. This would help in expediting the implementation of various projects in the PCPIRs. The Committee also note that these PCPIRs were envisioned to give boost to petrochemical industries, add productivity and decrease India's dependence on import of petrochemical feedstock and to develop the region holistically in an environmentally manner as well as to provide huge employment opportunities particularly to the local people. Keeping in view the benefits which would accrue to the economy and the local region as a result of PCPIRs projects, the Committee recommend that the Department, being the nodal authority, should make vigorous and coordinated efforts to expedite the execution of PCPIR projects being set up in aforesaid four States. The Committee hope that as a result of PCPIRs projects, a large number of people of the area will be benefited in terms of employment and the economy of the country would get a tremendous boost. The Committee expect from the Department to regularly monitor the progress of each of these projects. The Committee would like to be apprised of the action taken by the Department in this regard."

Reply of the Government

12. In its action taken reply to the aforesaid recommendation, the Department of Chemicals and Petrochemicals has stated as under:

"As per the existing PCPIR Policy 2007, Department of Chemicals and Petrochemicals, Government of India is coordinating with the Central Ministries / Departments concerned, State Governments and Anchor Tenants to implement PCPIRs. Department of Chemicals and Petrochemicals is also monitoring environmental clearances, development of external physical infrastructure, which includes road, rail, ports, airports etc. and preparation of Viability Gap Funding (VGF) proposals for infrastructure projects by the State Governments concerned.

The Department has noted the recommendations of the Committee to regularly monitor the progress of each of the PCPIR projects. In order to expedite implementation of these projects to achieve the objectives of boosting petrochemical industries, promote investment and generate employment, Minister, Chemicals and Fertilizers reviewed progress of PCPIRs on 10th July, 2014. Detailed review of Odisha PCPIR was undertaken by the Minister, C&F on 26th November, 2014. Meeting of the Steering Committee chaired by Secretary, C&PC and comprising members of Ministries / Departments, State Governments concerned will be held on 24th February, 2015. Indian Oil Corporation Ltd. (IOCL), the Anchor Tenant of Odisha PCPIR, has informed that its refinery project at Paradeep PCPIR is scheduled for commissioning by June 2015. Industrial Development Corporation Odisha (IDCO) has started discussions with EPTRI, Hyderabad and National Institute of Oceanography, Goa for preparation of Terms of Reference for Environment Impact Assessment of the PCPIR region."

Comments of the Committee

13. The Committee noted that PCPIRs were envisioned to give boost to petrochemical industries, add productivity and decrease India's dependence on import of petrochemical feedstock and to develop the region holistically in an environmentally sustainable manner as well as to provide huge employment opportunities particularly to the local people. The Committee, therefore, recommended that the Department, being the nodal authority, should make vigorous and coordinated efforts to expedite the execution of PCPIR projects being set up in aforesaid four States. In its Action Taken Reply, the Committee note that the Minister, Chemicals and Fertilisers reviewed the progress of PCPIRs on 10th July 2014. Detailed review of Odisha PCPIR was undertaken by the Minister, C&F on 26th November, 2014. However, the Committee regret to note that the Department is silent about the outcome of the review undertaken by the Minister. The Committee, therefore, recommend that the outcome of the review undertaken by the Minister and that of the Steering committee which may been held as scheduled on 24th February, 2015, may be conveyed to them. The Committee would also like to know the follow up action taken by the Department on the basis of the outcome to expedite execution of PCPIR projects in all the four States with in a fixed time frame.

D. Need to prepare a road map to set up Plastic Parks.

Recommendation No. 9

14. Emphasizing the need to prepare a road map to set up Plastic Parks in all the States of the country, the Committee had recommended as under:-

"The Committee note that the Indian Plastics industry is large but highly fragmented with dominance of tiny, small and medium units and thus the Department has formulated setting up of Plastic Parks scheme with a view to synergize and consolidate the capacities through cluster development. The scheme aims at setting up plastic parks with requisite state of the art infrastructure and enabling common facilities to assist the petrochemical sector to move the value chain and contribute to the economy more effectively. The Department has approved four Plastic Parks, one each in Madhya Pradesh, Odisha, Assam and Tamil Nadu and all the States have been advised to compress the timelines and aim to complete the Parks by mid 2016. According to the Department, the existing 12th Plan budgetary allocation for the scheme is insufficient even for the four proposals under implementation and the proposals from States like Haryana, Uttar Pradesh, Gujarat and Kerala are not being considered for the present. But the Department would request Planning Commission during Mid-Term Appraisal to enhance the Plan allocation for Plastic Parks to Rs. 400 crore to enable it to set up 10 Plastic Parks. During the course of evidence, the Committee were informed that while the per capita global consumption of Plastic is 30 kg and that of USA is more than 100 kg, India's consumption of Plastic is only 10 kg. The imports of petrochemical has been increasing at a growth rate of 20% which is primarily due to a huge gap between production and consumption of petrochemicals in the country.

In view of the foregoing, the Committee are of the opinion that establishment of Plastic Parks in each State in the country is very essential for augmenting production of petrochemicals and also for reduction of its imports in the country. It is, therefore, imperative for the Department to make vigorous efforts to set up Plastic Parks in all the States of the country. Keeping this aspect in view, the Committee recommend that the Department should present a strong case before the Planning Commission during the Mid-Term Appraisal of the 12th Plan for allocation of sufficient funds to enable them to set up initially 10 Plastic Parks in the country. The Committee further recommend that the Department should prepare a road map to set up at least one Plastic Parks in all the States of the country. The Committee hope that four plastic parks would be set up as per the time schedule by mid 2016 with out any delay. The Committee would like to be apprised of the action taken by the Department in this regard."

Reply of the Government

15. In its action taken reply to the aforesaid recommendation, the Department of Chemicals and Petrochemicals has stated as under:

"The Department is pleased to inform that keeping in view aims of the scheme to create quality infrastructure and increase investment in the sector leading to enhanced capacity, production and employment, the Standing Finance Committee (SFC) in its meeting held on 08.12.2014 recommended setting up of additional 6 Plastic Parks with GoI grant of Rs.240 crore, to be implemented during 12th and 13th plan periods. The approval of the competent authority has also been obtained."

Comments of the Committee

16. The Committee noted that Plastic Parks were designed to synergize and consolidate the capacities of the highly fragmented Indian plastics industry through

cluster development. The Committee observed that there is a huge scope for growth in the sector as the per capita consumption level of plastics in India is one of the lowest in the world. In view of the above, the Committee were of the opinion that establishment of Plastic Parks in each State in the country is very essential for augmenting production of petrochemicals and also for reduction of its imports in the country. While strongly supporting the Department's plan to set up 10 Plastic Parks in the Country, the Committee recommended that the Department should prepare a road map to set up at least one Plastic Park in all the States of the country. In its Action Taken Reply, the Department has informed that the Standing Finance Committee (SFC) in its meeting held on 08.12.2014 had recommended the setting up of additional six Plastic Parks with the Government's grant of Rs. 240 crore, to be implemented during 12th and 13th plan periods. The approval of the competent authority for the same has also been obtained. In view of the foregoing, the Committee hope that these additional six Plastic Parks would be set up in a time bound manner. However, the Committee are anguished to note that the Department is silent on the recommendation of the Committee for preparing a road map to set up at least one Plastic Park in each State of the Country. The Committee, therefore, strongly reiterate its recommendation regarding the need to set up at least one Plastic Park in each State of the Country and desire that a road map for the same be prepared for expeditious growth and development of Indian Plastics Industry. The Committee expect the Department to apprise them of the initiatives undertaken and progress made in this regard.

CHAPTER – II**OBSERVATIONS / RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT****Recommendation No. 1**

The Committee note with concern that import of major chemicals and petrochemicals has been continuously increasing at the rate of 20 per cent from 2009-2013 due to gap between production and consumption in the country. While the value of import of major chemicals & petrochemicals was pegged at Rs. 202347 crore and its share in the total imports was 7.6% during 2012-13, the same rose to Rs. 234258 crore contributing 8.6% to the total imports during 2013-14. During the course of evidence, the Committee were informed that there is a shortage of feedstock like gas and petrol for petrochemicals companies in the country and therefore, these companies have to import the feedstock which leads to increase in cost and other associated problems. The Committee were also informed that in order to address the shortage of feedstock for the petrochemicals companies, the Government has conceptualized to set up Reverse SEZs in foreign countries primarily in oil rich countries like Iran and Myanmar where the processing plants will be set up and then the finished products will be imported to India at cheaper rates. In this context, initial discussions, exchange of ideas, concept building and cooperation with these countries have already been initiated by the Government. It was also informed that the efforts are being made to promote manufacturing of specialty chemicals which are small volume chemicals but high priced and performance chemicals. These chemicals are not used directly but they act as catalysts and change the performance of the chemicals. Most of these chemicals are produced in the West. The Committee are of the view that the chemicals and petrochemicals sector is a major segment of manufacturing industry and plays a pivotal role in various downstream industries and therefore, the Government should map out strategies for the growth of this sector reducing thereby the country's dependence upon foreign imports of chemicals and petrochemicals, boosting employment and reduction in expenditure of valuable foreign exchange. The Committee, therefore, recommend that the Department should make concerted and coordinated efforts to expedite the process of consultation with all concerned with a view to set up Reverse SEZs safeguarding the interests of Indian workers and investments in these countries. The Department should also formulate action plan to produce specialty chemicals. The Committee would like to be apprised of the initiatives taken by the Department in this regard.

Reply of the Government

Specialty chemical segment is declared as a thrust area. This segment with an estimated size of US\$ 23 billion and a share of 16% of the Indian chemical industry constitutes one of the largest sectors. This is a niche and sunrise sector, and to promote this segment, the following measures are envisaged:-

- Special zones are proposed to be demarcated in the PCPIRs to take care of feedstock like Ethylene Oxide to this segment.
- Government proposes to set up reverse SEZs in Oil, rich countries for providing feedstock to chemical sector.
- National Chemical Policy is being evolved which emphasizes the setting up of chemical clusters, building enabling infrastructure, facilitating fast track project clearances, Research & Development, green chemistry, technology up-gradation to enhance the competitive edge of this segment, as specialty chemicals are knowledge based chemicals.

The Department has taken up with the stake holding Ministries i.e. Ministry of External Affairs, Deptt. of Economic Affairs, M/o Commerce, M/o Petroleum and Natural Gas and Deptt. of Fertilizers to send their comments on formation of Reverse SEZs in raw material rich countries like Iran and Myanmar to ensure cheap and sustainable supply of feedstock / building blocks/ intermediates for the chemical and petrochemical industries in India, specially in the PCPIRs. As part of the consultation process, a meeting was held with the respective Ministries and FICCI. FICCI, one of the industry representatives and played important role in these interactions, has been requested to provide information of companies interested to invest in such Reverse SEZs through Joint Ventures and identify the chemical/ petrochemical feedstocks / building blocks for the purpose. Final decisions in the matter will be taken only after examination of policy regimes investment, guarantees provided by the Government to Indian investors / promoters, pricing policies on long-term supply of Crude Oil / Natural Gas, export-import and setting up of industrial zones in the countries identified. In case of Iran, the interactions have been held with Ambassador of India in Iran and Secretary, Deptt. of Chemicals and Petrochemicals to facilitate discussions / interactions with Government Agencies / Companies in Iran about the possibilities and modalities to develop Reverse SEZs model through collaboration / joint ventures.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Comments of the Committee

(Please see Para No. 7 of Chapter-I of the Report)

Recommendation No. 3

The Committee are constrained to note that funds allocated to certain schemes of the Department have not been fully utilized during the preceding year 2013-14. As for example, HOCL failed to utilize its allocated amount of Rs. 8.04 crore totally. In this regard, the Department has explained that Rs. 8.04 crore could not be released as they could not get any approval from Planning Commission and Ministry of Finance. Similarly, out of Rs. 3.00 crore allocated to CPDS during 2013-14 at RE stage, Rs. 0.14 crore could not be utilized due to non-receipt of approval of Department of Expenditure to the proposal of the Department for grant of assistance to FICCI for organising "India Chem Gujarat 2013". Again, out of Rs. 1.50 crore meant for CWC for 2013-14, Rs. 0.54 crore could not be spent on several awareness programmes which could not be implemented during the year. The Committee are not convinced with the grounds/reasons given by the Department for underutilisation of funds allocated during the year 2013-14. The situation highlights the poor financial and physical performance of the Department which may have adversely affected the programmes of the Department in achieving some of its planned targets during the year. The Budget Estimate (BE) for 2014-15 is Rs. 207 crore which includes Rs. 15 crore for HIL, Rs. 20.50 crore for HFL and Rs. 102.98 crore for CIPET. The Committee expect the Department to formulate plans well in advance to utilize fully the funds allocated for 2014-15 for various schemes. The Committee recommend that the Department should work in close co-ordination with all concerned so as to ensure optimum and timely utilization of allocated funds to achieve the laid down financial and physical targets. The Committee would like to be apprised of the initiatives undertaken by the Department in this regard.

Reply of the Government

The initiatives taken by the Department for timely optimum utilization of fund allocated under CPDS are as under:

- i. A meeting was convened with premier Industry Associations to finalize an action plan/calendar of programmes/events, that are proposed to be organized during the financial year, with details of their schedules, themes, requirement of grants etc .
- ii. On the request of the Department, Industry Associations have agreed to organize on behalf of the Department , various workshops/Seminars on sensitizing the industry about their obligations under Rotterdam and Stockholm Convention, creating awareness on Health, Safety and Security

and Environment issues, Safety and security rating system, Green chemistry etc.

- iii. Study programmes (i) study to identify the impediments to the Industry with respect to specialty chemicals and dyestuff chemicals and (2) study about the status of implementation of Health, Safety, Security and Environment in MSME sector have been planned to be undertaken through M/s Projects Development India Ltd; (PDIL) by utilizing the CPDS fund.
- iv. Grant-in-aid would defray from CPDS for organization of events such as India Chem ,2014, Advancements in Polymeric Materials (APM)-2015, Cheminar -2014, Annual India Chemical Industry Outlook Conference, CORCON-2014 , Asian Oceanic Conference on Green and sustainable chemistry etc
- v. It is also proposed to release Grant-in-aid to Industry Associations for conducting programme on Green Chemistry at various places , awareness programme about positive attributes of Plastic during 2014-15, workshop on polymer processing, campaign for the promotion of chemical industry (whole year campaign programme), programme on "Innovative experiments in Chemistry" in school and colleges for the year 2014-15, National conference on "Waste to Health: The action Agenda", Conference on shaking growth of petrochemicals in India, Training/workshop on safe handling of Chlorine and chlorine containers at various places, etc.

This is aimed to ensure planned and proper utilization of the fund allocation under CPDS.

Chemical Weapons Convention

India is one of the signatories to the Chemical Weapons Convention. An amount of Rs. 1.20 crore has been allocated in 2014-15 under CWC head of account. The fund under this head of account is utilized for conducting CWC awareness programmes and continuation of CWC Help Desks set up in PPP mode in association with Indian Chemical Council at Vadodara, Mumbai, Chennai, Hyderabad, Kolkata and Delhi. The activities undertaken by using the fund are dissemination of information on CWC, assisting the Indian Chemical industry in filing of their declarations as stipulated in the CWC Act, conducting awareness programmes etc. In order to help the Indian Chemical industry to file error free declarations, more awareness programmes have been decided to be organized during the current financial year 2014-15.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Recommendation No. 4

The Committee note that Central Institute of Plastic Engineering and Technology (CIPET) , apart from conducting academic programmes in various areas of polymer technology, also renders technology support services to the plastics and allied industries viz. design, tooling, plastic processing & testing, inspection, quality control, etc. The Non Plan support to CIPET was discontinued from 2007- 08 as it has been managing its day to day functioning from the revenue generated through internal resources since then and does not depend on Government of India for those expenditures. CIPET caters to Academic, Technology Support and Research (ATR) activities through its 23 Centres across the country for the growth of polymer and allied industries in the country. Every year, CIPET trains around 40,000 students through long term professional and short term skill development programme. With anticipated growth rate of 8 to 10% in the plastics processing machinery, there is an increased requirement of skilled manpower to operate these machineries and lead the industrial growth. In order to meet the manpower requirements of ever growing polymer and allied industries, CIPET has been increasing the infrastructure capabilities to augment its intake capacity. The Department also plans to expand CIPET centre - one in Hyderabad by way of high learning centre and vocational training centre and another vocational training centre in Vijayawada. The Department through CIPET is also conducting various awareness programmes on positive attributes of plastic/recyclable properties of plastics along with various technological options for recycling of waste plastics. The Committee appreciate the good work being done by the CIPET to generate industry responsive skilled manpower and technical support services for all the plastic manufacturing industries etc. As a result thereof, the Committee hope that India will be able to face the challenges posed by imports of plastic products including from China. The Committee also expect that the Department in coordination with CIPET will continue to conduct its awareness programmes on positive attributes of plastic and recycling of plastic waste to check its adverse impact on environment. Keeping in view the increased requirement of skilled man power for the growth of petrochemical sector, it is imperative for CIPET to expand its centres which may be set up near planned plastic parks and PCPIRs. The Committee would like CIPET to prepare an action plan for the purpose. The proposed CIPET centres including one in Hyderabad and the other in Vijayawada will also be set up with in a

fixed time frame without any delay in order to cater the needs of petrochemical industries of the region. The Committee would like to be apprised of the action programme of the Department in this regard.

Reply of the Government

The Department of Chemicals & Petrochemicals welcome the appreciation of the committee on the good work being done by the CIPET to impart skill development training programme and provide technical support services to plastic sector. The Department also welcome the recommendation of the committee on requirement of expansion of CIPET centres and activities. The establishment of four PCPIRs (Petroleum, Chemicals & Petrochemicals Investment Regions) at Andhra Pradesh, Odisha, Gujarat and Tamil Nadu is underway. The dedicated plastic parks are also set up, within PCPIR and outside, to promote a cluster approach for development of downstream plastic processing industries. These industries would require skilled manpower in plastic technology. In this direction, CIPET is providing required facilities through its centres near plastic parks and PCPIRs i.e. Bhubaneswar & Balasore for PCPIR & Plastic Park in Odisha, Chennai & Madurai for PCPIR in Tamilnadu, Ahmedabad for PCPIR in Gujarat and Hyderabad for PCPIR in Andhra Pradesh. The Department, in addition to proposed establishment of CIPET Vocational Training Centres (VTCs) at Hyderabad and Vijaywada, has also proposed to establish VTCs at Bhopal (Madhya Pradesh), Baddi (Himachal Pradesh) and Dharampur (Gujarat) to meet the manpower requirements of plastics industries, with reference to setting up of PCPIRs and plastic parks. The Department has firmed up the requisite proposal for proposed plan funding for setting up of these centres in the next two years. The establishment of these centres is very significant for CIPET in terms of its mandate to fulfill the skill requirements of the growing plastic industry in the country, especially its specific commitment to train over 6 lakh persons as part of the Prime Minister's National Skill Development initiative providing specialized education across the spectrum of polymer science & technology from the diploma to the PhD levels.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Recommendation No. 5

The Committee note with great concern that despite of revival efforts of Hindustan Organic Chemicals Limited (HOCL) in 2008, the Company is making losses over the past few years. The major reasons elaborated by the Department for the poor financial condition of HOCL are the uneconomic small capacity of its plants, obsolete

technology, excess manpower and dumping of its main products by foreign countries. The Company was referred to BIFR on 27 November 2013 due to total erosion of the net-worth. M/s FACT Engineering & Design Organisation (FEDO) has been engaged to conduct a revival study and they have submitted a report to HOCL and action will be taken as decided by the Government on the FEDO study. The Committee were informed that in order to put HOCL back on a sustained growth path, the possibility of utilization of vacant land available at Rasayani is being explored through various options like leasing out to other government companies, merger and /or joint venture etc. Rashtriya Chemicals and Fertilisers (RCF), Narmada Fertilisers Plant in Gujarat and Indian Space Research Organisation (ISRO) have shown their interest to invest money. In view of the foregoing, the Committee recommend that FEDO study report on HOCL may be examined in detail and action to revive the Company may be taken at the earliest. The Department may also explore the possibility of utilization of vacant land available at Rasayani particularly to put HOCL on sustained growth path. The Committee would like to be apprised of the initiatives under taken by the Department and the progress made therein.

Similarly, Hindustan Fluorocarbon Ltd (HFL) which is a subsidiary of HOCL and engaged in the manufacture of Poly Tetra Fluoro Ethylene (PTFE) has also been incurring losses due to low sales realization, high material cost, high interest, depreciation burden and uneconomical plant size. Consequent upon the complete erosion of net worth, HFL was declared a sick industrial company. As part of the revival plan, the Department has released an amount of Rs.3.60 crore for Modified Poly Tetra Fluoro Ethylene (M-PTFE) this year and action for release of Rs. 13.20 crore for various refurbishment schemes and new activities has been under progress. The Department has informed that the company is expected to start making profits after implementation of the above Plan projects. In this regard, the Committee are of the view that the revival of HFL Plant at Rudraram in erstwhile Medak district of Andhra Pradesh (and now in Telangana state) is very crucial for the people of Telangana State and it will go a long way in building the industrial base for the new State of Telangana. Hence, revival plan needs to be expedited on a priority basis. The Committee, therefore, recommend that the Department should pay special attention and expedite the revival plan of HFL. The Committee expect from the Department to work out the concrete strategy for turnaround of the HOCL and HFL in right earnest and to ensure that these companies achieve breakeven at the earliest. The Committee desire to be apprised of initiatives taken by the Department and the progress made in this regard.

The Committee were informed that Hindustan Insecticides Ltd (HIL) was allocated Rs. 14 crore for investment in enhancing the capacity of existing Mancozeb Plant at Udyogmandal. The Committee note that the construction of Mancozeb Plant is under progress. The mechanical work of the Plant is nearing completion and the production is likely to start by March, 2015. HIL has also taken initiatives to develop a new product to be used as Indoor Residual Spray, as an alternative to DDT, which is expected to be a major breakthrough in vector control. The Committee consider these two major projects to be of huge importance not only for the growth of the Company but also for the country at large. Therefore, the Committee recommend that every efforts may be made to ensure that Mancozeb Plant is completed within the stipulated time. The Committee also recommend that the initiatives taken by HIL for developing Indoor Residual Spray may also be taken to its logical conclusion and vigorous efforts may be made to establish a pilot plant for the purpose. The Committee may be intimated about progress made in this regard.

Reply of the Government

HOCL:

HOCL has been making efforts to reduce the cost of production and generate revenue. At Rasayani, retrofitting of Nitric Acid plant, where di-nitrogen tetra-oxide (N_2O_4) is produced, has been completed. Disposal of the Non- Performing Assets (NPAs) has been undertaken to generate funds. Similarly, at Kochi unit, burner and other accessories in boiler, hot oil unit, etc. have been modified to suit Low Sulphur Furnace Oil (LSFO) and Re-Liquefied Natural Gas (RLNG), i.e. dual fired, which will bring down the cost of production of Phenol and Acetone. The debottlenecking of Hydrogen Peroxide plant has also been completed. Further, in order to put HOCL back on a sustained growth path, the possibility of utilization of vacant land available at Rasayani is being explored through various options like leasing out to other government companies, merger and/ or joint venture etc. A proposal received from M/s Container Corporation of India Ltd. regarding leasing of 60 acres land at upfront premium of Rs. 72 crore at HOCL premises in Rasayani for development of Multi Modal Logistic Park (MMLP) has been under consideration of the Department and has been sent to Department of Legal Affairs for advice.

The company has appointed a consultant M/s FEDO (FACT Engineering and Design Organization) for conducting a revival study. The consultants have submitted their draft report which is under consideration for approval. It is mentioned that a meeting on FEDO Report and issues relating to HOCL, was taken by the Hon'ble

Minister for Chemicals & Fertilizers on 18th September 2014 in which a presentation was made by FACT Engineering and Design Organization (FEDO).

HFL:

As part of revival of HFL, the company has undertaken the development of specialized PTFE, i.e. modified PTFE, and a plan loan of Rs. 3.60 crore has been provided for this purpose by the Department to the company which plans to manufacture this product in the existing set up with some modifications. At present, the modified PTFE is being imported, but it has wide market potential owing to its versatile applications.

Further, the company has plans to take up the following projects:

- | | |
|-------|---|
| A | Refurbishment Plans |
| 1 | Refrigeration System |
| 2 | Furnace with Pyrolysis Coil |
| 3 | Fluid Energy Grinding Mill |
| 4 | TFE Compressor and Vacuum/Jet pump |
| 5 | CFM Compressor & Air Compressor |
| 6 | Instrumentation |
|
B |
New Schemes/Projects |
| 1 | Hexafluoro propene (HFP) and Fluorinated Ethylene Propylene (FEP) related investments |
| | New Reactor Set |
| 2 | Debottlenecking of the Monomer Plant |
| 3 | Pilot Plant for Product Development |

A plan loan of Rs. 13.20 crore has already been provided for refurbishment and HFP and FEP related projects by the Department to the company for implementing its schemes. These will help HFL to turn around and earn profits in the near future.

HIL:

The updated status of the HIL projects are as follows:-

Mancozeb Expansion Project.

The mechanical and electrical commissioning is expected to be completed by March, 2015 and most items of the equipment have been procured. The trial run is expected to start from April, 2015.

DDT Alternative Project

Institute of Chemical Technology (ICT), after detailed research, has isolated a lab scale product which has been tested for its efficacy and the results are found to be encouraging. Now, work is going on establishing the best sample and also its stability on shelf. After obtaining the desired stability, the other chemical properties will be

determined and final route for synthesis shall be finalized for pilot scale. Once the product meets various requirements of Central Insecticides Board, registration activity will be initiated. This will run parallel to scaling up activities.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Recommendation No. 6

The Committee regret to note that the Assam Gas Cracker Project (AGCP) has not yet been commissioned. It was conceptualized in pursuance of Memorandum of Settlement signed between Central Government, All Assam Students Union and All Assam GanaParishad on 15 August 1985. The initial cost of the project was Rs.5460.61 crore. A joint venture company namely Brahmaputra Cracker & Polymer Limited (BCPL) is implementing the project. The revised cost estimate of the project is Rs.8920 crore. The pre-commissioning activities in several units are in progress. The project will lead to setting up of plastic processing units in the neighbouring areas. Consequently, substantial employment is envisaged to be generated on its completion. The Committee were informed that the mechanical completion of the project is likely to be completed by end of November, 2014 and pre-commission and commission activities have already started. It was schedule to commission in September 2014 which has now been further revised to June 2015. The Committee note with concern that the per capita consumption of plastic in North East is only two kilograms while for the rest of India, it is 10 kilograms. Thus, there is a huge scope for development of plastic parks in the North Eastern States and the Department is chalking out a programme to push it. A proposal has also been made to the Assam Government to set up a plastic park at Guwahati apart from the one proposed at Tinsukia to make use of the huge quantum of feedstock produced by AGCP. The Department also plans to advocate plastic parks in the nearby north-eastern states to set up their own plastic parks for which feed stocks could be conveniently supplied by AGCP. Further, the Department proposes to involve CIPET to train the local people in plastics-related skill development programmes so that they may be able to get suitable placement in AGCP and other related industries.

In view of the foregoing, the Committee now hope that the timelines for completion of the project will be strictly adhered to without any further delay so as to achieve the mechanical completion of the project by November 2014 and its commissioning by June 2015 and recommend that the Department should make vigorous efforts in coordination with all concerned including DONER to set up plastic parks in North East States and organize skill development programme for the local

public to enable them to get employed by major industries. The Committee also recommend that the Department should also organize awareness programmes simultaneously extensively so that the local people are aware of the opportunities available for them for training and to get employment in this sector. The Committee would like to be apprised of the initiatives taken by the Department in this regard.

Reply of the Government

The department shares the concern of the Committee regarding delay in commissioning of the AGCP. All efforts are being made for achieving commissioning by June, 2015. Pre-commissioning and commissioning activities are presently in progress. The Department of Chemicals and Petrochemicals (DCPC) has approved setting up of Plastic Park at Tinsukia district, Assam on an area of 173 acres of land. The Plastic Park is being developed by Assam Industrial Development Corporation (AIDC), for which the Department has released the first installment of Rs.8 crore of Grant in Aid in 2013-14. The park is expected to generate total employment of 16, 471 which includes a direct employment of 6, 806 and an indirect employment of 9,665. The construction of boundary wall, internal roads and electrification of the proposed Park has been completed and site infrastructure development works are being initiated. Further, with a view to develop downstream plastic processing industries in Assam and NER, BCPL along with GAIL (the main promoter of BCPL and marketer of BCPL products) have conducted several awareness workshops across Assam. BCPL is also planning to organize two more awareness workshops in Guwahati and Imphal. CIPET, NEDFI, Industrial Department (GoA) have been involved in all awareness workshops and related programmes. In addition, industrial visit of entrepreneurs have been arranged by BCPL in association with GAIL to Kanpur and GAIL Polymer Technology Center, Noida for technical upgradation. 671 nos. of new entrepreneurs have been approached for setting up downstream plastic processing industries in North Eastern region. CIPET has been entrusted by DCPC with the mandate to fulfill the skill requirements of the plastic industry in the country. CIPET has two training centres in North Eastern region, at Guwahati and Imphal, which offer short and long duration courses including job oriented operator level training programme in the areas of plastic processing etc.. The facilities and expertise of these centres are utilized by NE states to meet the trained skilled manpower requirement of the plastic and allied industry.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Recommendation No. 7

The Committee note that the concept of Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) is a cluster approach to promote the Petroleum, Chemical and Petrochemical sectors in an integrated and environmental friendly manner, on a large scale. The PCPIR policy was formulated in April 2007 to give a boost to this sector. At present, PCPIR projects are being set up in four States of Gujarat, Andhra Pradesh and Odisha and Tamil Nadu. All these PCPIRs except Tamil Nadu, have made some progress. As for Tamil Nadu PCPIR, the Department has signed Memorandum of Agreement with Government of Tamil Nadu in February 2014 and it has yet to make any significant progress. The Department has also constituted a Steering Committee for each of the PCPIRs except Tamil Nadu to monitor the implementation progress. This would help in expediting the implementation of various projects in the PCPIRs. The Committee also note that these PCPIRs were envisioned to give boost to petrochemical industries, add productivity and decrease India's dependence on import of petrochemical feedstock and to develop the region holistically in an environmentally manner as well as to provide huge employment opportunities particularly to the local people. Keeping in view the benefits which would accrue to the economy and the local region as result of PCPIRs projects, the Committee recommend that , the Department being the nodal authority should make vigorous and coordinated efforts to expedite the execution of PCPIR projects being set up in aforesaid four States. The Committee hope that as a result of PCPIRs projects, a large number of people of the area will be benefited in terms of employment and the economy of the country would get a tremendous boost. The Committee expect from the Department to regularly monitor the progress of each of these projects. The Committee would like to be apprised of the action taken by the Department in this regard.

Reply of the Government

As per the existing PCPIR Policy 2007, Department of Chemicals and Petrochemicals, Government of India is coordinating with the Central Ministries / Departments concerned, State Governments and Anchor Tenants to implement PCPIRs. Department of Chemicals and Petrochemicals is also monitoring environmental clearances, development of external physical infrastructure, which includes road, rail, ports, airports etc. and preparation of Viability Gap Funding (VGF) proposals for infrastructure projects by the State Governments concerned.

The Department has noted the recommendations of the Committee to regularly monitor the progress of each of the PCPIR projects. In order to expedite

implementation of these projects to achieve the objectives of boosting petrochemical industries, promote investment and generate employment, Minister, Chemicals and Fertilizers reviewed progress of PCPIRs on 10th July, 2014. Detailed review of Odisha PCPIR was undertaken by the Minister, C&F on 26th November, 2014. Meeting of the Steering Committee chaired by Secretary, C&PC and comprising members of Ministries / Departments, State Governments concerned will be held on 24th February, 2015. Indian Oil Corporation Ltd. (IOCL), the Anchor Tenant of Odisha PCPIR, has informed that its refinery project at Paradeep PCPIR is scheduled for commissioning by June 2015. Industrial Development Corporation Odisha (IDCO) has started discussions with EPTRI, Hyderabad and National Institute of Oceanography, Goa for preparation of Terms of Reference for Environment Impact Assessment of the PCPIR region.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Comments of the Committee

(Please see Para No. 13 of Chapter-I of the Report)

Recommendation No. 8

The Committee note that the primary objective for development or construction of any project like PCPIR is to create employment opportunities to the local people particularly those who have been displaced/affected by the project and whose land has been acquired for the project. However, it has come to the notice of the Committee that only 30-40 per cent of the people are being employed from the local market and the rest are outsiders. According to the Department, certain projects like the PCPIR project in Odisha, the first preference for the job is given to the local people and outsiders are employed only in cases where local people are not available for certain specialized areas in construction or if they do not have adequate skill for the job. The Committee are of the view that since the local people have sacrificed their land for construction of industrial projects, the benefits in terms of employment ought to be given first to the local people to the extent possible and in case they do not have adequate skill then it is obligatory on the part of the Government/Company to train and engage them for the job in their project. The Committee, therefore, recommend that the Department and concerned PSUs, as well as anchor tenants in projects like PCPIRs should make it a policy to give first preference to the local people for employment at their project site. The Committee also recommend that the Department should take the initiative in coordination with all stakeholders to undertake skill development programmes to train local people for their employment in the industrial

projects set up/being set up in the area. Such Skill development programmes should be made an essential component to the project itself. The Department should undertake regular visits to PCPIRs, to monitor the skill development programmes and also to address the problems of the local people of the regions. While undertaking such visits, the Committee and the Members of Parliament of the area should also be invariably kept informed. The Committee would like to be apprised of the initiatives being taken by the Department in this regard.

Reply of the Government

The Department has conveyed the recommendation of the Committee to the State Governments concerned and PSUs working as Anchor Tenants for the respective PCPIRs for necessary action to the extent possible to give preference to the local people for employment at their project site vis-a-vis keeping the provisions of Indian Constitution into consideration. In order to meet the requirement of plastics and allied industries and create employment, Department is promoting skill development through Long-term and Short-term Skill Development Programmes, which include Diploma and Vocational Training to unemployed / semi-employed youth to make them employable in the industries in public / private sector. In the PCPIR States, the Central Institute of Plastics Engineering and Technology (CIPET) provides skill development training through CIPET Centres at Bhubaneswar and Balasore (Odisha), Chennai and Madurai (Tamil Nadu), Hyderabad (Andhra Pradesh) and Ahmedabad (Gujarat). The Skill Development Training programmes are conducted in a number of processing streams which include Injection Moulding, Blow Moulding, Tool-Room, Plastic Processing etc. Secretary, Deptt. of C&PC visited Paradeep PCPIR on 24.12.2014 and reviewed the progress of the project.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Recommendation No. 10

The Committee regret to note that various relief and rehabilitation measures initiated immediately after the Bhopal Gas Leak disaster in the intervening night of 2nd/3rd December, 1984, are still continuing. The Office of the Welfare Commissioner awarded/dispensed Rs. 1548.59 crore as compensation, out of money provided by Union Carbide Corporation, USA, in settled cases of 5,74,386 claimants belonging to the categories of death, permanent disability, temporary disability, injury of utmost severity cases, minor injury, loss of property/PSU and loss of livestock. The Supreme

Court in its order dated 26th October, 2004 approved further payment of pro-rata compensation to the Bhopal Gas Victims whose cases had earlier been settled. In compliance, pro-rata compensation was awarded to 5,62,959 claimants with payment of a sum of Rs. 1511.379 crore made till 31.07.2014. An application moved by the Welfare Commissioner to treat the remaining 11,427 cases of absentee claimants as closed is pending decision in the Supreme Court. As per the decision of the Cabinet in June, 2010, disbursement of ex-gratia of Rs. 874.28 crore to the Gas victims was commenced by the Office of the Welfare Commissioner on 19.12.2010. That was for the specific cases where people had suffered specific injuries – heart diseases, kidney diseases, permanent disabilities and temporary disabilities. Out of that amount, a sum of Rs.742 crore has already been disbursed and the balance amount of Rs.130 crore is pending. In view of the foregoing, the Committee hope that all genuine claims of the victims of the gas leak disaster for the compensation may have been settled and every efforts may have been made to trace the genuine claimant before approaching the Apex Court to write off those cases which are untraceable. Apart from financial assistance granted to the gas victims, the Committee would like to know the various rehabilitation measures undertaken by the Government in coordination with State Government for gas victims. The Committee would like to know the progress of the pending case before the Apex Court.

Reply of the Government

Compensation:-

Office of the Welfare Commissioner, Bhopal awarded/dispensed Rs. 1548.59 crore as compensation in decided cases of 5,74,386 claimants belonging to the categories of death, permanent disability, temporary disability, injury of utmost severity, minor injury , loss of property/PSU and loss of livestock. The Supreme Court in an order dated 26th October, 2004, had directed payment of the unspent compensation amount, on pro-rata basis (1:1) , to those gas victims whose original claims had been settled. An amount of Rs. 1511.48 crore has been paid in 5,62,970 cases till 31/12/2014.

The substantial part of disbursement of pro-rata compensation had completed by the beginning of 2006 and appearance of claimants in the pending cases had declined. The Registrar, O/o WC filed an application (I.A. Nos. 56-57/2006) on behalf of the Welfare Commissioner (WC) in the Supreme Court in 2006 seeking permission of the Apex Court to allow the WC to close all the remaining claim cases for all times to come, as the said claimants, even after publication of notices in the newspapers in addition to notices sent on their last known address, had failed to appear by 30.4.2006.

The Supreme Court heard the matter on 23.8.2006 and directed the Welfare Commissioner to provide the list of absentee claimants (numbering 18,983 at that time) to local NGOs, who would make efforts to trace those persons. The said list was given to the NGOs.

As reported by the Office of the Welfare Commissioner, Bhopal that for the period ending December, 2014, a total number of 11,416 claimants (Originally awarded/disbursed cases 5,74,386 – pro-rata compensation paid cases 5,62,970 (till 31/12/2014) did not turn up to the designated courts for receiving pro-rata compensation. Every possible effort has been made to trace the genuine claimants or their legal heirs by sending them several notices at their address, as well as through NGOs, print and electronic media but remained futile. As considerable period has elapsed, to afford a last opportunity, final notification containing names along with details of claims, wards etc., is being published in local daily newspaper, People's Samachar, since 17.12.2014 onwards regularly. On completion of publication of these lists, the outcome will be observed for a period of one month. Thereafter, the proposal for closing of pro-rata Compensation will be pursued before the Supreme Court.

Various rehabilitation measures undertaken for gas victims.

The Central Government had provided financial assistance to the extent of Rs. 102 crore over a period of 4 years from 1985 for rehabilitation work. Subsequently, the Government approved an Action Plan with an outlay of Rs. 258 crore, for medical, economic, social and environmental rehabilitation of the gas victims. The outlay was to be shared between the Central Government and State Government of Madhya Pradesh (GoMP) in the ratio of 75:25. The Action Plan was implemented from 1990 to 1999.

The major component of the Action Plan was medical rehabilitation which included establishment of six full-fledged Gas Relief hospitals, 9 Day Care Units and 3 Ayurvedic, 3 Homeopathic and 3 Unani Dispensaries for free treatment of gas victims. Under Social Rehabilitation, measures included pension to the widows of gas victims and construction of 2486 houses for family members of deceased gas victims. Under Economic Rehabilitation, an Industrial Training Institute was set up for providing vocational training to gas affected children. Further, schemes were implemented for providing training, skill up gradation to the gas victims in various fields of traditional crafts such as tailoring, embroidery, zari-zardosi. Under Environmental Rehabilitation, activities such as plantation of trees, development of green belts were undertaken.

Further, Rs.14.18 crore was provided by Government of India under Jawaharlal Nehru National Urban Renewal Mission (JNNURM), in April, 2006 for supply of piped

drinking water to 14 localities around UCIL plant site where the ground water is not potable.

On directions of the Supreme Court, a Specialty Hospital named Bhopal Memorial Hospital and Research Centre (BMHRC) was established at Bhopal with money provided by Union Carbide Company, for free treatment of gas victims. The Hospital with super specialty facilities in 12 disciplines started functioning in July, 2000. The administration of the hospital was taken over by the Government of India from a private trust in 2010 and at present it is being managed by Department of Health Research.

New Plan of Action-

Based on another Plan of Action for taking up further rehabilitation measures for Bhopal Gas Victims submitted by the Government of M.P. in 2008, Govt. of India sanctioned a plan with an outlay of Rs. 272.75 crore on 75:25 basis to the State Government for medical, economic and social rehabilitation, and also provision for safe drinking water. An amount of Rs. 204.56 crore, comprising the grant component of Additional Central Assistance, was sanctioned on 08.07.2010.

Govt. M.P. is in the process of implementation of various rehabilitation schemes as approved in the New Plan of Action. The State Government has apprised that till November, 2014, an amount of Rs. 129.45 crore has been spent / Administrative approvals issued, out of allocated sum of Rs. 272.75 crore.

Some of the important schemes under the various sectors are given below:-

Social Rehabilitation:- (i) An estimated 5000 Widows of Gas Victims are to be paid pension @ Rs. 1000 p.m. for a period of five years, for which Rs. 30 crore has been allocated. (ii) Construction of free houses for shifting the families of gas victims residing around the UCIL factory, where the ground water is not potable, for which a sum of Rs. 40 crore was allocated. (iii) Construction and Renovation of 16 schools in gas affected area. (iv) Upgradation of sewage system in existing Gas Victims' colony.

Medical Rehabilitation:- (i) Construction of new buildings/ renovations of the existing six Gas Relief Hospitals. (ii) Procurement of new equipments for these hospitals.

Economic Rehabilitation:- For ensuring employment to gas victims, an entrepreneurship training programme scheme with built-in employment opportunity undertaken by State Government . 21 Institutes selected for providing training in different trades to the gas victims, who are being trained in different fields and given placement.

Clean Drinking Water:- Rs. 50 crore allocated for implementing a scheme for providing clean drinking water to the gas victims. Bhopal Municipal Corporation is implementing this scheme.

ICMR:- Indian Council Medical Research (ICMR) had established a research center in Bhopal in 1984, and conducted epidemiological research and clinical studies. ICMR stopped its research work on 31.12.1994 and handed over the research center (Center for Rehabilitation Studies) to the Govt. of M.P. In 2010, the Government decided that ICMR may resume its research on gas victims by establishing a full-fledged Research Centre in Bhopal. Accordingly, ICMR has established its 31st Research Center namely "National Institute for Research in Environmental Health (NIREH)" at Bhopal in October, 2010 for conducting research studies on the affected population in identified areas of health.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)

OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

CHAPTER – III

**OBSERVATIONS / RECOMMENDATIONS WHICH THE COMMITTEE DO NOT WANT TO
PURSUE IN VIEW OF THE GOVERNMENT'S REPLY**

-- NIL--

CHAPTER – IV

**OBSERVATIONS / RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE
REITERATION**

-- NIL--

CHAPTER – V

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

Recommendation No. 2

The Committee are distressed to note that chemical manufacturing companies are a major source of environment pollution. The hazardous wastes are reportedly being discharged by the factories without being treated, causing environment and water pollution in and around the complex of the factory adversely affecting the human health as well as aquatic life of the region. During the course of evidence, it was reported that industrial wastes are being pumped into Hussain Sagar, a lake situated at the heart of Hyderabad city, polluting the lake and causing skin disease to the nearby residents, etc. The issue is assuming critical dimensions leading to soil degradation, water pollution, coastal pollution adversely affecting pisciculture and aquaculture and the livelihood of fishermen community, etc. The Committee also firmly believe that economic growth cannot be sustained without taking care of the environment. During the course of evidence, the Secretary of the Department was candid enough to accept the fact that awareness about environment and environment compatibility is very poor in India. The toxic and hazardous wastes discharged by the chemical factories are contaminating our water bodies and turning our soil into barren land. According to him, though the regulatory power enforcing environment compatibility norms rests with the Ministry of Environment and Forest and only they have the authority to issue orders and punish the culprits, however, the Department will come out with a Policy in this regard soon. In this regard, the Committee were also informed that a National Chemical Policy is being prepared by the Department on the issue which will be brought out very soon. After various rounds of consultations with all the stakeholders during the period from July 2012 to December 2013, the updated version of draft policy have now been sent for Inter-Ministerial consultation and the policy document is expected to be finalized soon. According to the Department, the Policy aims to make strategies for sustainable growth and development, increasing investments, ensuring feedstock availability, R&D promotion and that the emphasis has been on Green Chemistry, HRD, technology up-gradation, disaster management, safety in chemical plants, etc. The Committee are of the strong view that the Department cannot escape their responsibility on the issue and being the nodal authority, it is their primary duty to allow establishment of only those factories which are environmentally compatible. The Committee believe that the said policy would address the various problems

afflicting the chemicals and petrochemicals sector in the country. The Committee, therefore, recommend that the process of consultation on the National Chemical Policy and finalization of the policy document incorporating both the growth of the sector and environmental sustainability may be expedited. The Committee also desire that the Department should take remedial measures in coordination with Ministry of Environment, Forest and Climate Change and with all concerned to check pollution caused by the chemical factories. The Committee expect to be apprised of the initiatives taken by the Department in this regard.

Reply of the Government

Compliance with environment standards is imperative for the long-term viability of the chemical sector. Central Pollution Control Board under Ministry of Environment and Forests and State Pollution Control Boards of different states are the regulatory authorities for monitoring implementation of water pollution and air emission standards for different sectors of the industry under relevant provisions of Water (Prevention & Control of Pollution) Act 1974 and Air (Prevention & Control of Pollution) Act 1981. MoEF & CC is the nodal Ministry to enforce compliance with the above regulatory framework by the chemical units with respect to implementation of environment related measures.

- DCPC has formulated a draft National Chemical Policy which envisages the promotion of sustainable and green technologies. Awareness workshops are conducted by the Department for implementation of Green Technologies in the industrial undertakings.
- The Department conducts workshops for adoption of different codes of Responsible Care for creating awareness about environment friendly and green technologies to control pollution.
- The Department is working on the Swachh Bharat Abhiyan to check pollution from industrial wastes.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Comments of the Committee

(Please see Para No. 10 of Chapter-I of the Report)

Recommendation No. 9

The Committee note that the Indian Plastics industry is large but highly fragmented with dominance of tiny, small and medium units and thus the Department has formulated setting up of Plastic Parks scheme with a view to synergize and

consolidate the capacities through cluster development. The scheme aims at setting up plastic parks with requisite state of the art infrastructure and enabling common facilities to assist the petrochemical sector to move the value chain and contribute to the economy more effectively. The Department has approved four Plastic Parks, one each in Madhya Pradesh, Odisha, Assam and Tamil Nadu and all the States have been advised to compress the timelines and aim to complete the Parks by mid 2016. According to the Department, the existing 12th Plan budgetary allocation for the scheme is insufficient even for the four proposals under implementation and the proposals from States like Haryana, Uttar Pradesh, Gujarat and Kerala are not being considered for the present. But the Department would request Planning Commission during Mid-Term Appraisal to enhance the Plan allocation for Plastic Parks to Rs. 400 crore to enable it to set up 10 Plastic Parks. During the course of evidence, the Committee were informed that while the per capita global consumption of Plastic is 30 kg and that of USA is more than 100 kg, India's consumption of Plastic is only 10 kg. The imports of petrochemical has been increasing at a growth rate of 20% which is primarily due to a huge gap between production and consumption of petrochemicals in the country. In view of the foregoing, the Committee are of the opinion that establishment of Plastic Parks in each State in the country is very essential for augmenting production of petrochemicals and also for reduction of its imports in the country. It is, therefore, imperative for the Department to make vigorous efforts to set up Plastic Parks in all the States of the country. Keeping this aspect in view, the Committee recommend that the Department should present a strong case before the Planning Commission during the Mid-Term Appraisal of the 12th Plan for allocation of sufficient funds to enable them to set up initially 10 Plastic Parks in the country. The Committee further recommend that the Department should prepare a road map to set up at least one Plastic Parks in all the States of the country. The Committee hope that four plastic parks would be set up as per the time schedule by mid 2016 with out any delay. The Committee would like to be apprised of the action taken by the Department in this regard.

Reply of the Government

The Department is pleased to inform that keeping in view aims of the scheme to create quality infrastructure and increase investment in the sector leading to enhanced capacity, production and employment, the Standing Finance Committee (SFC) in its meeting held on 08.12.2014 recommended setting up of additional 6 Plastic Parks with GoI grant of Rs.240 crore, to be implemented during 12th and 13th plan periods. The approval of the competent authority has also been obtained.

[Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)
OM No. 23003 (1)/2014-FinI Vol. III dated 17.3.2015]

Comments of the Committee

(Please see Para No. 16 of Chapter-I of the Report)

New Delhi;
14. July 2015
23 Ashadha 1937 (SAKA)

(ANANDRAO ADSUL)
CHAIRPERSON
STANDING COMMITTEE ON
CHEMICALS AND FERTILIZERS

MINUTES**MINUTES OF THE SEVENTEENTH SITTING OF THE
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2014-15)**

The Committee sat on Tuesday, the 16 June, 2015 from 1500 hrs. to 1600 hrs. in Room No. 139, Parliament House Annexe, New Delhi.

Shri Anandrao Adsul - Chairperson**Members
Lok Sabha**

2. Shri Idris Ali
3. Smt. Anju Bala
4. Shri B.N. Chandrappa
5. Shri Shankar Prasad Datta
6. Smt. Veena Devi
7. Shri R. Dhruvanarayana
8. Shri Satish Kumar Gautam
9. Shri Chhedi Paswan
10. Shri Chandu Lal Sahu
11. Dr. Krishan Pratap Singh
12. Smt. Rekha Arim Verma
13. Shri Innocent

Rajya Sabha

14. Shri Narayan Lal Panchariya
15. Shri Palvai Govardhan Reddy

Secretariat

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Smt. Rashmi Jain | - | Joint Secretary |
| 2. | Shri U.B.S. Negi | - | Director |
| 3. | Shri A.K. Srivastava | - | Additional Director |

2. At the outset, the Hon'ble Chairperson welcomed the members of the Committee.

3. The Committee thereafter took up for consideration the following draft Reports:

a) *****

b) Action Taken Reports on Demands for Grants (2014-15) of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals); and

c) *****

4. The draft Reports relating to the Department of Fertilizers, Department of Pharmaceuticals and Department of Chemicals and Petrochemicals were adopted by the Committee without any amendment.

5. The Committee authorised the Chairman to make consequential changes, if any, arising out of the factual verification of the Reports by the Department of Fertilizers, Department of Chemicals and Petrochemicals and Department of Pharmaceuticals of the Ministry of Chemicals and Fertilizers and present the same to both the Houses of Parliament.

6. The Committee then decided to hold its next meeting on 25th June, 2015 for briefing on the subject " Functioning of National Institute of Pharmaceutical Education and Research (NIPER)" by the Ministry of Chemicals and Fertilizers (Department of Pharmaceuticals).

The Committee then adjourned.

***** *Matters not related to this Report.*

Appendix - II

(Vide Para 3 of the Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FIRST REPORT (16TH LOK SABHA) OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS (2014-15) ON 'DEMANDS FOR GRANTS (2014-2015)' OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF CHEMICALS AND PETROCHEMICALS).

I	Total No. of Recommendations	10
II	Observations / Recommendations which have been accepted by the Government:- (Vide Recommendation Nos. 1, 3, 4, 5, 6, 7, 8 and 10)	8
Percentage of Total		80%
III	Observations / Recommendations which the Committee do not desire to pursue in view of the Government's reply:- (Vide Recommendation No. Nil)	0
Percentage of Total		Nil
IV	Observations / Recommendations in respect of which reply of the Government have not been accepted by the Committee and which require reiteration:- (Vide Recommendation Nos. Nil)	0
Percentage of Total		Nil
V	Observations / Recommendations in respect of which replies of the Government are still awaited:- (Vide Recommendation Nos. 2 and 9)	2
Percentage of Total		20%