



**STANDING COMMITTEE ON  
CHEMICALS & FERTILIZERS  
(2015-16)**

**SIXTEENTH LOK SABHA**

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

**PETROLEUM CHEMICALS AND PETROCHEMICALS  
INVESTMENT REGIONS (PCPIR)**



**REPORT**

**LOK SABHA SECRETARIAT  
NEW DELHI**

***FEBRUARY, 2016/ PHALGUNA, 1937 (SAKA)***

**SEVENTEENTH REPORT**

**STANDING COMMITTEE ON  
CHEMICALS AND FERTILIZERS  
(2015-16)**

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(DEPARTMENT OF CHEMICALS AND PETROCHEMICALS)**

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REGIONS (PCPIR)**

*Presented to Lok Sabha on 25.02.2016*

*Laid in Rajya Sabha on 25.02.2016*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*FEBRUARY, 2016/ PHALGUNA, 1937 (SAKA)*

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**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2015-16)**

<b>Shri Anandrao Adsul - Chairperson</b>	
<b>MEMBERS LOK SABHA</b>	
2.	Shri Idris Ali
3.	Smt. Anju Bala
4.	Shri B.N. Chandrappa
5.	Shri Sankar Prasad Datta
6.	Smt. Veena Devi
7.	Shri R.Dhruvanarayana
8.	Shri Innocent
9.	Shri K. Ashok Kumar
10.	Shri Kamalbhan Singh Marabi
11.	Shri Chhedi Paswan
12.	Smt. Kamala Devi Patle
13.	Shri Rajendran S.
14.	Shri Kotha Prabhakar Reddy
15.	Shri Chandu Lal Sahu
16.	Dr. Kulamani Samal
17.	Dr. Uma Saren
18.	Dr. Krishna Pratap Singh
19.	Shri Taslimuddin
20.	Smt. Rekha Arun Verma
21.	Shri Baker George
<b>RAJYA SABHA</b>	
22.	Shri Biswajit Daimary
23.	Dr. M.S. Gill
24.	Shri Sanjay Dattatraya Kakade
25.	Shri Mansukh L. Mandaviya
26.	Shri Narayan Lal Panchariya
27.	Shri K. Parasaran
28.	Shri Garikapati Mohan Rao
29.	Shri Palvai Govardhan Reddy
30.	Dr. Sanjay Sinh
31.	Shri Abdul Wahab

**SECRETARIAT**

- |                               |   |                 |
|-------------------------------|---|-----------------|
| 1. Smt. Rashmi Jain           | - | Joint Secretary |
| 2. Shri Anil Kumar Srivastava | - | Director        |
| 3. Shri Nishant Mehra         | - | Under Secretary |

## INTRODUCTION

I, the Chairperson Standing Committee on Chemicals and Fertilizers (2015-16) having been authorised by the Committee to present the Report on their behalf, present this Seventeenth Report (Sixteenth Lok Sabha) on the subject, 'Petroleum Chemicals and Petrochemicals Investment Regions (PCPIRs)' of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals).

2. The Subject, 'Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs)' was earlier taken by the erstwhile Committee on Chemicals and Fertilizers (2012-13, 2013-14 and 2014-15) for examination and report. The Committee took oral evidence of the representatives of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) on the subject at their sitting held on 30.1.2013. As the examination remained inconclusive owing to dissolution of 15<sup>th</sup> Lok Sabha, the same was taken up again for examination and report by the Committee on Chemicals and Fertilizers (2015-16). The Committee took oral evidence of the representatives of the Department of chemicals and Petrochemicals at their sittings held on 29 October 2015 and 17 November 2015.

3. The Committee (2015-16) considered and adopted the Report at their sitting held on 12 January 2016.

4. The Committee express their thanks to the Officers of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) and other Ministries/Departments for furnishing the material and other information, which they desired in connection with the examination of the subject, 'Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs)' and for giving evidence before the Committee.

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

**NEW DELHI;**  
**18 FEBRUARY, 2016**  
**29 PHALGUNA, 1937 (SAKA)**

**(ANANDRAO ADSUL)**  
**CHAIRPERSON,**  
**STANDING COMMITTEE ON**  
**CHEMICALS AND FERTILIZERS**

**REPORT**  
**CHAPTER – 1**  
**Introductory**

The Government introduced the Petroleum, Chemicals and Petrochemical Investment Regions (PCPIR) policy in 2007 to develop global scale industrial clusters in the Petroleum, Chemical and Petrochemical sectors with world class infrastructure. The PCPIR Policy is a window to ensure adoption of a holistic approach to promote the petroleum, chemical and petrochemical sectors in an integrated and environment friendly manner on a large scale. Such integrated PCPIRs would reap the benefits of co-sitting, networking and greater efficiency through use of common infrastructure and support services.

1.2 A PCPIR is a specifically delineated investment region with an area of around 250 square kilometers planned for the establishment of manufacturing facilities for domestic and export led production in Petroleum, Chemicals & Petrochemicals, along with the associated services and infrastructure.

1.3 The PCPIRs comprise capital and technology intensive projects and are likely to be operational within 10 to 15 years. These projects are estimated to attract an investment of over Rs7, 62,894 crore and generate employment to around 33.96 lakh persons over a period of time.

1.4 A PCPIR would be a combination of production units, public utilities, logistics, environmental protection mechanisms, residential areas and administrative services. It would have a processing area, where the manufacturing facilities, along with associated logistics and other services, and required infrastructure will be located, and a non-processing area, to include residential, commercial and other social and institutional infrastructure.

1.5 The PCPIR may include one or more Special Economic Zones, Industrial Parks, Free Trade & Warehousing Zones, Export Oriented Units, or Growth Centers, duly notified under the relevant Central or state legislation or policy.

1.6 The PCPIR could cover existing settlements/industries & estates/ services and would therefore benefit from and be complementary to the region.

1.7 Each PCPIR would have a refinery/ petrochemical feedstock company as an anchor tenant. The internal infrastructure of the PCPIR will be built and managed by a Developer, or a group of Co-developers. The external infrastructure linkages will be provided by Government of India and the concerned State government. This infrastructure will be created/upgraded through Public Private Partnerships (PPPs) to the extent possible.

Central Government will provide the necessary Viability Gap Funding (VGF) through existing schemes.

1.8 The massive scale of infrastructure development, industrial development and employment generation in the PCPIRs offer tremendous opportunities for domestic as well as foreign investments. Following advantages and opportunities are offered in the PCPIRs:

- Strategic locations at ports for domestic and global markets.
- Availability of adequate land with Government agencies and developers for allotment to industries.
- Excellent connectivity by road, train, airports.
- Institutional mechanism for management and implementation.
- Deregulated industry and promotion of 100% FDI.
- Ready availability of technical and skilled manpower.
- Opportunities for investment window in infrastructure through PPP mode.
- Forming of consortium with Indian partners e.g. refinery/cracker complex, large industrial units, etc.
- Investments in utilities and services including Waste Management, Housing, Hospitals, Education, Training etc.

1.9 The Govt. has approved PCPIRs to be set up in Dahej Gujarat, Paradip in Odisha, Vishakhapatnam-Kakinada in Andhra Pradesh and Cuddalore- Nagapattinam in Tamil Nadu States. Government of West Bengal has since conveyed its decision not to develop a Petroleum, Chemical and Petrochemical Investment Region and approval of Cabinet has been obtained for withdrawal of West Bengal (BM, No. 3).

1.10 When the Committee asked the Department to state the reasons cited by West Bengal to withdraw their proposal for PCPIR in the State, the Department, in a written reply, stated as under:

"Government of West Bengal conveyed its decision to abandon the Petroleum, Chemicals and Petrochemical Investment Region at Haldia, West Bengal and decided to develop a new project of industrial park, power plant and Eco Tourism Park in its place."

1.11 When the Committee enquired to the Department whether there any other States which indicated their interest in setting up PCPIRs in their State, the Department replied in writing as under:-

"Kerala and Madhya Pradesh have shown interest in setting up of PCPIR. However, Kerala in the meeting held under the chairmanship of Chief Secretary, Govt. of Kerala on 24.08.2015 dropped the project as it requires huge area of land which is not a practical proposition for the State. Madhya Pradesh has desired to set up PCPIR near Bina Refinery at Bina. Department of C&PC has advised the State Govt. to get a feasibility study conducted to proceed further in the matter."

1.12 The Snapshot of the four PCPIRs, as provided by the Department is given below:

### PCPIR Snapshot

Indicator	Gujarat	Andhra Pradesh	Odisha	Tamil Nadu
Location/ Region	Dahej, Bharuch	Vishakhapatnam - Kakinada	Paradeep	Cuddalore- Nagapattinam
Date of Approval	Feb, 2009	Feb, 2009	Dec, 2010	July, 2012
Date of MoA	07.01.2010	01.10.2009	03.11.2011	20.02.2014
Total Area (Sq. kms.)	453.00	603.58	284.15	256.83
Processing Area (Sq.kms.)	248.00	270.00	123.00	104.00
Anchor Tenant	ONGC Petroleum addition Limited	Hindustan Petroleum Corporation Ltd. (HPCL)	Indian Oil Corporation Ltd. (IOCL)	Nagarjuna Oil Corporation Ltd. (NOCL)
Refinery / Cracker capacity in MMTPA	Cracker: Ethylene: 1.1 Propylene: 0.4	9.3 to 15 (expansion of existing refinery) 15 (Greenfield).	15 (Greenfield refinery).	12 (Refinery).
Anchor Project Status	Expected Commissioning: First quarter of 2016	Anchor Tenant for Greenfield project yet to come on board.	Expected Commissioning: First Quarter of 2016	Construction work, stalled since 2011, yet to restart.
Total amount of infrastructure projects approved (Rs. crore)*	7749.70	19031.00	13634.00	13354.00
Govt share in form of VGF (Rs. crore)*	80.50	1206.80	716.00	1143.00 1500.00 (budgetary support)
Proposed Investment (Rs. Crore)*	50,000	3,43,000	2,77,734	92,160
Investment made (Rs. Crore)	70,649	37,010	45,000	7,812
Projected employment (number)*	8,00,000	11,98,000	6,48,000	7,50,000
Employment generated (number)	78,000	93,500	38,000	13,950
Status of Master Planning notification	Development Plan sanctioned	Revised Draft final Master Plan, addressing objections from public, is being submitted to the State Government.	Preparation of Master Plan is in process.	Will be taken up after formation of PCPIR Management Board.
Status of EIA	Report has been uploaded on the website of MoEF in September 2015.	EMP / EIA study submitted to APPCB. Public hearing to be conducted.	Proposal from EPTRI /NIO Goa is under evaluation by IDCO.	Will be taken up after formation of PCPIR Management Board.

\*At approval stage of the Projects

## CHAPTER 2

### **Budgetary Allocation and Investment**

The Committee observed that there was no separate budgetary support from the Government regarding PCPIRs. The Government's support to the PCPIR is mainly by way of Viability Gap Funding (VGF) for which a total sum of Rs. 80.50 crore, Rs. 1206.80 crore, 716 crore and Rs. 2643 crore have been committed for Gujarat, Andhra Pradesh, Odisha and Tamil Nadu PCPIRs respectively.

2.2 When the Committee asked whether Viability Gap Funding (VGF) for PCPIRs have been proposed by all the concerned State Governments, the Department replied in writing as under:-

"All the four State Governments have proposed VGF as part of their PCPIR applications which were approved by the Cabinet Committee on Economic Affairs (CCEA). The State Governments have to prepare detailed project reports as per the eligibility criteria of the guidelines on VGF issued by Department of Economic Affairs, Ministry of Finance. The amount of VGF approved under various infrastructure projects for the four PCPIRs is Rs. 80.50 crore for Gujarat, Rs. 1206.80 crore for Andhra Pradesh, Rs. 716 crore for Odisha and Rs. 1143 crore for Tamil Nadu. The State Governments have been requested to prepare VGF projects, wherever required, as per the implementation status of PCPIR projects."

2.3 When the Committee enquired about the lack of budgetary support for the PCPIRs by the Central Government of India, the Joint Secretary of the Department during evidence stated as under:-

"In case of Government of India's budgetary support, we have been getting a number of requests from all State Governments – like Odisha, Gujarat, and Andhra Pradesh – that some budgetary support provision should be there. For example, in Odisha, EPTRI is asking for a big money for the EIA studies. The State Government is saying, 'where from we will pay'. They say that the Government of India has come out with the PCPIR policy and they should give something to the State Governments – some financial support. Otherwise, they say that it will only become an inspirational policy, if it is not supported by the funds. In the same way, Gujarat is saying, 'we will create the next port infrastructure or the railway infrastructure, but some support should come from the Government of India.' Unless we have some financial support, some financial incentive, some handholding, there are not many takers for only policy. Policy is to be supported by the fund. The amount of Rs. 1,000 crore is a very minimal amount, but even if that is agreed upon, at least, we will have something to tell the State Governments that we are also providing some support, so they should come forward and expedite."

2.4 On the issue of Viability Gap Funding (VGF) by the Central Government for PCPIRs, the Secretary of the Department, during evidence stated as below:-

"I pointed out to the Cabinet Secretary that the 20 per cent contribution which the Government of India is willing to make by way of Viability Gap Funding should be diverted as budgetary contribution to the State public sector undertaking or to the State Government for the project being implemented directly by the State

Government. When the State Government or the State public sector undertaking is implementing the project very well through its own funds, the Central Government, instead of insisting that you come through public, private partnership only where nobody is willing to come forward, can divert that money from VGF to its contribution towards the expenditure incurred by the State Government."

"The other issue on which there is no consensus is that we have also been telling that there should be a direct incentivisation of infrastructure building by the Government of India. When we are talking in terms of investment of lakhs and lakhs of rupees and generation of 20 or 30 lakh employment opportunities, the Government of India's share is almost nil. We have already taken a stand there that minimum Rs. 1000 crore should be the grants amount for each PCPIR from the Government of India. ....These are the major issues which have been taken up for the revision of the policy.

2.5 Further, during the visit of the Committee at Dahej on 6.11.15, the Committee were apprised that PCPIR, Dahej, is badly in need of money and have asked the support of Government of India for developing infrastructure linkages, environmental management and pollution mitigation. When the Committee asked the Department how it proposes to help Dahej PCPIR meet its budgetary needs, the Department replied in writing as under:-

"The State Governments have demanded financial assistance / grants for certain activities / projects which include the following:

**Pollution Mitigation Measures:**

- Development of infrastructure for environmental management.
- Carbon Credit Exchange to be set up to provide a platform for buyer-seller interaction

**Waste Management:**

- Treatment, recycling & disposal of hazardous solid and liquid chemical waste
- Environmental friendly measures & eco-townships be promoted with assistance from GOI.

**Escape Route:**

- Construction of at least one Escape Route within the PCPIR to facilitate diversion of population/traffic in the unforeseen contingency of a disaster

**Coastal & Marine Security:**

- Coast Guard set-up and Marine Security be enhanced within the PCPIR, as a policy measure.

The Government of Gujarat (GoG) has prepared a detailed project report for CETP proposed at Dahej PCPIR. The State Government has taken various steps for treatment, recycling and disposal of hazardous, solid and liquid chemical waste. GoG has made provisions for the development of eco -townships in Dahej PCPIR and has requested the Department of Chemicals and Petrochemicals, GoI to provide budgetary support for pollution mitigation of Dahej PCPIR and other activities elaborated as above. Provision of budgetary support / financial grant of Rs. 1000 crore to each PCPIR has also been incorporated in the draft revised PCPIR Policy which is under consideration."

2.6 The Committee observed that the share of the GoI in the form of Viability Gap Funding (VGF) for the Visakhapatnam-Kakinada PCPIR is Rs. 1,206.80 crore and desired to know how much of this money has been released. In reply thereto, the Department replied in writing as under:

"After finalization of Master Plan, DPRs will be prepared as per the Master Plan for the Public Private Partnership (PPP) viable projects in PCPIR Region. In absence of any proposal by Andhra Pradesh PCPIR, no amount has so far been sanctioned by the Government of India."

2.7 The Committee noted that as per the Snapshot, the share of the GoI in the form of Viability Gap Funding (VGF) for the Cuddalore-Nagapattinam PCPIR is mentioned as Rs. 1143 crore and Rs. 1500 crore. The Committee asked the Department to explain these two sums mentioned and state whether the money have already been released and how it was spent. In reply thereto, the Department stated as under:-

"The details of the VGF projects are as under -

Project	Estimated Investment	Rs in crore	
		VGF as approved by CCEA	Budgetary support by CCEA
External Linkages - Min. of road Transport & Highways / Min of Railways.			
i. Roads - Conversion of National Highway- 45 A into 4 Lane road	1680	336	
ii. Conversion of State Highway 10 into National Highway (Both road projects are to be taken up through PPP mode with VGF support from Govt of India )	734	147	
iii. Railway - Double lining & Electrification of Villupuram – Mayiladuthurai stretch at a cost @ Rs. 1500 Crores – (Full Budgetary support)	1500		1500
Utilities Projects			
i. Sea water Desalination Plant / Pipelines Network with estimated Investment @ Rs. 3000 crores with VGF support from Govt of india for Rs. 600 Crores	3000	600	
ii. Common Effluent Treatment Plant (CETP)	300	60	
		1143	1500

"The VGF proposals shall be submitted after approval of Master Plan. In absence of any proposal by Tamil Nadu PCPIR, no amount has so far been sanctioned by the Government of India."

2.8 During the evidence, the Committee expressed their concern over the lack of investments coming in for work under Public Private Partnership (PPP) mode and asked the Department to explain the reasons for it. The Committee pointed out that the Department's own roadmap talks about developing downstream industries at Paradip PCPIR by 2022, which is a long period and asked whether it is possible to expedite the process. In reply thereto, the representatives of the Department stated as under:-

"Sir, I will start with the time lag in the PPP. What generally happens is that in PPP, the person who is a developer or a co-developer has to put a lot of money beforehand and there is a time lag between infrastructure creation and repayment by user charges. So, given this type of large amount of money which is needed and there is no support – there is no concession, there is no exemption and there is no incentive – so, in the given scenario, since there is a lot of time lag, people are not willing to come on board and invest heavily beforehand. That is the problem that we are facing.

The Odisha Refinery will be commissioned in 2016, but the Refinery will not give major feedstock to anyone, to the downstream. The feedstock will come from the polypropylene unit, from the paraxylene unit, from the MEG unit and from the ethylene cracker unit. Till now, IOCL has approved only one project, that is, polypropylene. It will be commissioned in 2017. The other three projects which are on the list have not been approved yet. Once they are approved, it will take four to five years to complete those projects. If we take that time frame in mind, Sir, 2020-2022 is a very reasonable time frame we have in mind because without feedstock nobody will come. That is the issue, Sir. That is why we have kept the time frame as 2022. In fact, the Ministry of Petroleum and Natural Gas and our Ministry have taken it up very seriously to expedite all the projects of IOCL in a mission-mode type hurry so that they come out with the projects immediately and in turn downstream can also come faster. We are working on that, but these are the basic limitations that we have."

## CHAPTER 3

### Monitoring OF PCPIRs

In order to expedite the implementation of PCPIRs, Minister, Chemicals and Fertilizers reviewed the progress of Andhra Pradesh and Odisha PCPIRs in July 2014 and formed a Steering Committee under the chairmanship of Secretary, Department of Chemicals and Petrochemicals and comprising representatives from Central Ministries/ Departments, State Governments concerned, Anchor Tenants and Industry Associations. The Committee will coordinate and facilitate to expedite infrastructure projects, anchor investments and provision of building blocks for downstream industry, common utility projects, social infrastructure etc.

3.2 When asked to give in detail the functioning and role of the PCPIR Steering Committee, the Department replied in writing as under:-

"A Monitoring Committee headed by Secretary (Chemicals and Petrochemicals) used to monitor the progress of implementation of PCPIR periodically. In the meeting taken by Minister of Chemicals and Fertilizers to review the progress of PCPIR on 10.07.2014, it was decided to constitute Steering Committee for each PCPIR under the chairmanship of Secretary (Chemicals and Petrochemicals) in order to expedite the implementation of PCPIRs. The composition of the Steering Committee is as under:

1. Secretary, Department of Chemicals & Petrochemicals-Chairman
2. Representative from the Ministry of Petroleum & Natural Gas
3. Representative from the Department of Economic Affairs, Ministry of Finance
4. Representative from the Ministry of Railways
5. Representative from the Ministry of Power
6. Representative from the Department of Road Transport & Highways
7. Representative from the Department of Shipping
8. Representative from the Ministry of Civil Aviation
9. Principal Secretary/Secretary of the Industries Departments of State Government concerned.
10. CMD/VCMD/CEO of the industrial Development Corporation of the State concerned.
11. Anchor Tenant of the PCPIR concerned.
12. Presidents/Representatives of Industry Associations (presently ICC and CPMA).
13. Special Invitee as needed.

Seven meetings of the Steering Committees have been held since its constitution viz. on 24.02.2015 (for Andhra Pradesh, Odisha and TamilNadu) and on 08.07.2015 (for Gujarat, Andhra Pradesh, Odisha and Tamilnadu) in addition to the first meeting chaired by Minister C&F on 10.07.2014."

3.3 When the Committee asked the Department how the implementation of PCPIRs were monitored prior to 10.07.2014, the Department replied that prior to 10.07.2014, a common monitoring Committee chaired by Secretary, Department of Chemicals and

Petrochemicals used to monitor implementation of PCPIRs. The Ministry of Chemicals and Fertilizers formed state-wise separate Steering Committee for monitoring.

3.4 When asked to state the details and decisions of the meetings of the PCPIR Steering Committee held since its constitution with special reference to Gujarat PCPIR, the Department replied in writing as under:-

- "The current anchor tenant is a dual feed cracker complex in the SEZ Area, because of which procedural delays in allowing movement of raw material input and semi finished products output for further value addition are arising.
- For infrastructural Development, the present policy of approving VGF funding on PPP Model needs to be reviewed and need for GoI funding through budgetary allocation was stated. Single Window Clearance Mechanism, was welcomed as currently the project is getting delayed for want of certain explanations/certifications pending with State Govt.
- Ministry of Shipping expressed support for the amended proposals in the Policy including port development. The capacity of existing 4 ports at Dahej is felt to be limited. In case of Sterling Port the promoter is not going ahead with the development project and it is suggested that the State government expedite the same by taking it up under PPP mode."

3.5 With reference to Odisha PCPIR, the details and decisions of the meetings of the PCPIR Steering Committee held since its constitution are as follows:

- "Commissioning of refinery has started and Polypropylene plant will be commissioned in 2017. Naphtha is not available for cracking and no commitment to set up Naphtha cracker can be made at present. In future gas and other options may be explored. Currently there is no availability of Natural Gas in Paradeep. IOCL, Paradeep is making modifications to make propylene from the Fluidized Catalytic Cracking (FCC) unit which will be converted into Polypropylene and can be utilized in the proposed Plastic Park in the same PCPIR location.
- The common view was that Anchor Tenants should supply feedstock to downstream industries commensurate with the incentives provided to it by the State Government the existing system of utilizing feedstock in captive units by Anchor Tenants needs to be countered as it does not allow downstream industries to set up/ expand manufacturing facilities.
- Ministry of Petroleum & Natural Gas, stated that currently IOCL is having difficulty in putting up of Naphtha cracker at Paradeep. They also stated that a clear road map for refinery configuration for integration of petrochemical product needs to be built in at the planning stage itself. Ministry of Petroleum and Natural Gas is working on setting up production units of building blocks at Paradeep refinery that includes Ethylene derivatives, PX-PTA, MEG, Coal Gasification based products, etc."

### **Management Boards**

3.6 As per the Department, the role of the Management Boards are as follows:-

- "Prepare and enforce Master Plan as approved by Govt. of India.
- Select developer/co-developer.
- Facilitate internal infrastructure for the PCPIR.
- Investment and export promotion.
- Approval and clearance to units.
- Regulation of user charges.
- Creation of SPV for service provision within PCPIR etc.
- Review of functioning and performance of PCPIR.

3.7 The latest position with regard to formation of Management Boards for all the PCPIRs is as under:-

"Management Boards have been constituted in Gujarat and Odisha PCPIRs. The details for all the PCPIRs is given below:

**Dahej (Gujarat) :** Gujarat PCPIR Regional Development Authority (RDA) constituted under the Special Investment Region (SIR) Act vide GOG Notification dated 18th September 2010.

The management Board Structure is as follows:

Personnel	Designation in GPCPSIRDA
Chief Secretary	Ex-officio, Chairperson
Principal Secretary, Industry and Mines department	Ex-officio, Member
Chief Executive Officer, Gujarat Infrastructure Development Board	Member
Vice Chairman and Managing Director, Gujarat Industrial Development Corporation	Member
District Collector, Bharuch	Member
District Development Officer, Bharuch	Member
Director, School of Planning, Centre for Environmental Planning and Technology, Ahmedabad	Member
Shri U. S. Mehta, (Retired Town Planner)	Member
Chief Engineer, Gujarat Industrial Development Corporation	Member Secretary

**Paradip (Odisha) :** Industrial Infrastructure Development Corporation of Odisha (IDCO) has been implementing the Paradeep PCPIR. IDCO has formed a Special Purpose Vehicle (SPV), called Paradeep Investment Region Development Ltd. (PIRDL) a wholly-owned company of IDCO, under Special Investment Act 2014 to implement the PCPIR projects. The SPV would take up the activities of Management Board as envisaged in the PCPIR Policy. The CEO of PIRDL has been appointed and process is on to appoint other members. The Board of Directors of the SPV include:-

- (a) CMD, IDCO
- (b) CGM (Finance), IDCO
- (c) CMD, IPICOL
- (d) Secretary, Industry Department
- (e) Expert (PMU), IDCO

**Visakhapatnam-Kakinada (Andhra Pradesh) :** As conveyed by the State Government as the VK-PCPIR is in the planning stage, Management Board is not yet formed. Special Development Authority is formed with the following structure and has prepared draft Master Plan and EIA report. After approval of Master Plan, Management Board will be formed.

Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited	Chairman
Vice-Chairman, Visakhapatnam Urban Development Authority	Vice-Chairman
Collector, Visakhapatnam District or his nominee (not below the rank of Joint Collector)	Member
Collector, East Godavari District or his nominee (not below the rank of Joint Collector)	Member
Vice-Chairman & Managing Director, INCAP	Member
Director of Town & Country Planning	Member
General Manager, DIC, Visakhapatnam District	Member
General Manager, DIC, East Godavari District	Member
Zonal Manager, APIIC, Visakhapatnam	Member
Zonal Manager, APIIC, Kakinada	Member
Conservator of Forests, East Godavari District	Member

**Cuddalore Nagapattinam (Tamil Nadu)** : Management Board will be formed after notification of the PCPIR.

3.8 When the Committee enquired that there is a Management Board at the State level to monitor the project, and whether there can be a corresponding Management Board at the Central level to monitor the projects, the Joint Secretary of the Department replied during evidence as under:

"At present, we have Management Board at the State level and they work within their State. But the point that you are bringing is that if there is something at the Government of India level, then they can learn from each other. That is a very good suggestion and we will definitely try to incorporate it. In a very small way, we are doing the facilitation desk. But that cannot replace or that cannot be a substitute for the Management Board. We will take forward this idea and see how well we can incorporate that in the policy framework."

3.9 On the issue of coordination between the Government and various other agencies regarding PCPIRs, the Secretary of the Department stated during evidence as under:-

"With regard to the coordination between the Government of India agencies and the State Government agencies, there is already a Coordination Committee available Chaired by the Cabinet Secretary in which the representatives of the State Governments and the Government of India are available. In the last meeting of this Committee, the Chief Secretaries of the State Governments were on board through video conferencing. They made their representations. They are writing to the Cabinet Secretary. We are going and meeting them. We are constantly writing to them and we conduct the review meetings by inviting them. Therefore, as far as the coordination between difference agencies is concerned, there is no problem. The problem is only in delay in approvals by the State Governments and also that we are not able to give them a single window clearance and no investment from the Government of India along with non-committal anchor tenants on the feedstock for the downstream industries.

## CHAPTER 4

### Master Plan, Environmental Clearances and Disaster Management

#### A. Master Plan (Dahej PCPIR, Gujarat)

When the Committee asked the Department about the status of the Master Plan for Dahej PCPIR in Gujarat, the Department furnished the information as under:-

"As per the information provided by the Department of Chemicals and Petrochemicals, Development Plan / Master Plan of Dahej (Gujarat) PCPIR has been sanctioned in September, 2012 and two Town Plan Schemes are under implementation and two Draft Town Planning schemes are submitted for sanction. The PCPIR is made functional by constituting a Regional Development Authority on 18.09.2010 under the Special Investment Region Act, 2009.

4.2 The processing and non-processing area of Dahej PCPIR is as under:-

Land use breakup of Final Development Plan of GPCPSIRDA		
Landuse Component	Area in Ha	Area in %
<b>Processing Area</b>	<b>23,005.97</b>	<b>50.78%</b>
GIDC Estate (Dahej 1,2 ,3,Vilayat & Vilayat Extension)	10,953.91	24.18%
Large scale PCP Industries	2,340.47	5.16%
Power Plant and Large scale PCP Industries	1,160.10	2.56%
Medium Scale PCP Industries	1,236.93	2.73%
Small scale PCP Industries	659.45	1.46%
Service and Ancillary PCP Industries	266.96	0.59%
Non Polluting Industries	58.02	0.13%
Engineering Industries	956.74	2.11%
Port/Ship Building & Allied Activities, CRZ Related Activities and Salt Pans	3,662.99	8.09%
Salt Pans	553.13	1.22%
Warehousing and Oil Terminal	686.56	1.52%
Logistics	470.82	1.04%
<b>Non-Processing Area</b>	<b>22,292.05</b>	<b>49.21%</b>
GIDC Residential Area (Atali, Atali Expansion & Dahej Housing)	855.38	1.88%
Residential (including commercial, institutional, recreational to be included as per development norms)	5863.19	12.94%
Commercial	566.55	1.25%
Institutional	632.17	1.40%
Recreational	90.83	0.20%
Specific Mixed Landuse	2,075.59	4.58%
Utility	430.16	0.95%
Eco park	281.54	0.62%
Eco Zone	711.37	1.57%
Bhukhi Khadi River Development	968.27	2.14%
Forest	853.41	1.88%
Agriculture	1,503.55	3.32%
Gamtal inc Gamtal Buffer	2,622.90	5.79%
Roads (30-250 m ROW)	2,223.02	4.91%
Proposed Kalpasar Canal Alignment	584.30	1.29%
Water Bodies (Ponds/Lakes/Developing Ponds, Bhukhi Khadi River, Bhukhi Khadi Nala, Submerged Land )	2,029.82	4.48%
<b>TOTAL AREA (HA)</b>	<b>45,298.02</b>	<b>100.00%</b>

#### Paradip PCPIR, Odisha

4.3 As per the Department, the Master Plan of Paradip PCPIR (Odisha) is in process. The master plan regarding Paradip PCPIR for 284.15 sq km. includes total processing area of 123.014 sq km. and total non-processing area of 161.132 sq km as per the following details:

Phase 1 (2010-2020)	Processing Area (Sq Km)	Non Processing Area (Sq Km)
IOCL Refinery + Petrochemical Complex	12.627	0.907
Primary Petrochemicals Park	6.674	
Rail Freight Station	0.465	
Secondary Petrochemicals Park	1.149	
Downstream Petrochemicals Park	5.074	
Allied and Fine Chemicals Park	2.768	
Logistics Hub: Container Depot, Freight Station Warehousing, Tank Farms	2.088	
Ancillary Sector Park	1.145	
Commercial Hub: Hotel, Convention Center etc.	0.486	
R&D Hub	0.283	
Deepak Fertilizers & Petrochemicals Ltd.	0.344	
Truck Terminal	0.133	
Multiproduct SEZ	7.086	
Captive Power Plant	3.201	
Airport with Air Cargo Complex	3.869	
Integrated Solid Waste Management Facility	0.623	
Sites for 6 Townships		9.090
Rehabilitation & Resettlement  (R&R )Site		0.550
Mixed Land use		72.700
Phase 2 (2020-2030)	Processing Area (Sq Km)	Non Processing Area (Sq Km)
New Refinery plants + Petrochemical Complex	2.932	
Primary Petrochemicals Park	7.969	
Secondary Petrochemicals Park	2.363	
Downstream Petrochemicals Park	9.91	
R&D Hub	0.858	
Rail Freight Station	0.611	
Sites for 3 Townships		4.577
Mixed Land use		51.195
<b>Total Area</b>	<b>123.014</b>	<b>161.132</b>

- The IOCL's 15 MMTPA refinery is at pre-commissioning stage.
- Container Corporation Ltd. (CONCOR) has been allotted land in the PCPIR to set up container terminal. Establishment of Multi modal Logistics Hub project is also being taken up.
- Marine Outfall Project has to be taken up after assessment of demand.
- Common effluent treatment facilities would be taken up on assessment of demand in phased manner, industrial effluent being taken up separately by units.
- Solid Waste Management Project to be awarded soon through bidding process.

### Visakhapatnam-Kakinada PCPIR, Andhra Pradesh

4.4 As per the Department, the Master Plan of Vishakhapatnam – Kakinada PCPIR (Andhra Pradesh) is in process. The latest status of the Visakhapatnam-Kakinada PCPIR Master Plan is as follows:

1. Preparation of Master Plan was taken up by VK PCPIR SDA and work entrusted to M/s.Lea Associates.
2. Consultant has conducted village level consultations for all villages and conducted 13 workshops for preparation of Draft Master Plan.
3. Draft Master Plan was published on 5.8.2013.
4. Final Master Plan is prepared duly addressing objections/ suggestions received from the public and submitted to MA & UD Dept. on 23.5.2014 for its approval.
5. Municipal Administration and Urban Development (MA & UD) Department, Government of Andhra Pradesh has called for objections from public and

advised PCPIR SDA to examine these objections and resubmit the Master Plan duly incorporating the revisions.

### **Cuddalore-Nagapattinam PCPIR, Tamil Nadu**

4.5 As per the Department, the Master Plan activity for the PCPIR in Tamil Nadu would be initiated by the State Government after notification of PCPIR and formation of the Management Board. The progress report regarding the Master Plan and other components of the Cuddalore-Nagapattinam PCPIR is as under:

Important Steps / Activities initiated	Status
Govt of Tamil Nadu will notify the PCPIR area under the relevant Act.	<ul style="list-style-type: none"> <li>- The delineated TN PCPIR is to be notified under the Tamil Nadu Town &amp; Country Planning Act, 1971.</li> <li>- The report of DTCP on the proposal sent to Government for notifying the TN PCPIR as a Regional Planning Area under the Tamil Nadu Town &amp; Country Planning Act, 1971 and its recommendations are under consideration of Govt of Tamil Nadu.</li> </ul>
State Govt will constitute PCPIR Management Board after the TN PCPIR notification.	<ul style="list-style-type: none"> <li>- Management Board which will be the PCPIR Development / Promotion entity is to be formed after the PCPIR Notification.</li> <li>- It may be a corporate entity with TIDCO, Anchor unit and others as the stakeholders.</li> </ul>
Master Plan	<ul style="list-style-type: none"> <li>- Upon notification of the PCPIR under the Tamil Nadu Town and Country Planning Act, 1971 by Govt. of Tamil Nadu, the TNPCPIR Management Board will take up preparation of the Draft Master Plan</li> </ul>
EIA	<ul style="list-style-type: none"> <li>- Will be taken up after formation of Tamil Nadu PCPIR Management Board.</li> </ul>

### **B. Environment Clearance**

4.6 The threat to the environment because of polluting and hazardous industries is a major concern in India today. The Chemical industries are one of the most polluting industries. Hence, the need to address and take care of the environment by promoting environment-friendly chemical and petrochemical industries is of paramount importance.

4.7 In this regard, when the Committee enquired about the Environment clearance being granted to the PCPIR during evidence, the Secretary highlighted the various issues and problems being faced with regard to the PCPIRs as follows:-

"With regard to the law specifically intended for chemical industry, yes, it is there in America and that protocol is known as REACH Protocol which defines the chemicals, their properties and their usages. In India we do not have that. We have not done the preliminary study on that also. The policy which we are proposing since Independence, the National Chemical Policy, in that we are making a provision for a national chemical development centre and the mandate of that innovation centre is to do this REACH Protocol. The State and the business associations have done small

studies here and there but there is no consolidated work on this issue. But we have focussed on that in the proposed policy. (Proceedings2, p. 19)

4.8 During the evidence, the Committee raised questions relating to the need for eco-friendly and green technologies in PCPIRs and asked the Department to state the extent of water and land pollution that will be caused due to these projects, especially in the context of waste proposals. In reply thereto, an official of the Gujarat Government stated as under:-

"Dahej is getting adequate water for PCPIRs from the Narmada river through a 70 km pipeline. We are having a common channel to take the affluent into the deep sea as per the norms of the Ministry of Environment and Forest. The tender for construction of the common affluent treatment plant has already been issued. The work has already started and we expect that within 18 or 24 months will be completed in which case the affluent will be treated in a common manner. So, every industrial unit will not need to do the tertiary treatment itself. It will have to do the primary and secondary treatment and the tertiary treatment can be done in the common affluent treatment plant, which will lead to better quality standards and economy of scale.

Regarding the green and eco friendly technology, in the case of water, we have issued a circular and we are slowly enforcing that all the industrial units – because chemical, petro-chemical units are highly water intensive – will have to recycle and use 25 per cent of the water from their recycled source. This is our policy and we are trying to implement it. I would say that we have not been totally successful so far but it is a long term measure and we are going to implement it.

Regarding environment clearance, it is in the very final stages so far as Dahej PCPIRs is concerned. We have already submitted our application to the Committee and it is in the final stages. It has been vetted by the Committee in the Ministry of Environment and Forest and it has just asked us to obtain a Coastal Regulatory Zone (CRZ) recommendation. In fact, CRZ Committee is to be constituted by the State Government. It is hopeful that it will be constituted in a month's time after which the application of the State Government will go to the CRZ Committee. We are trying to request the Committee of the Ministry of Environment and Forest, Government of India to give us conditional environmental clearance subject to observance of all the CRZ norms. But, in any case, we are hopeful for the CRZ recommendation. Once it is constituted, it will consider our CRZ application after which we are confident of getting the environment clearance. This will ensure that the individual units do not come to the Ministry of Environment and Forest, Government of India for their environment clearance. It can be given at the State level.

Regarding water and air pollution and green technology, one important thing is that a number of units in Dahej PCPIR are very large ones. OPEL, we have spoken of, will go into commissioning in about four months' time. We have the Reliance units and other very large units which have their standards and even the smaller units will be taken care of by the CETP. So, we do not expect any difficulty in it. In fact, in respect of water also there has not been any complaint because the water is coming from the Narmada river. We have not received a single complaint so far from the local people about the water contamination of the ground water resources. In fact, as the PCPIR authority and the local industries are supplying drinking water to the nearby villages, which was a water deficit area in the past, the people are cooperating and there has been no complaint on the issue of water pollution."

4.9 When the Committee specifically asked whether there are any problems associated with environmental protection mechanisms and environmental pollution, etc. being faced

by the Department / Anchor Tenant in the case of Paradip PCPIR, the Department replied in writing as under:-

Preliminary Environmental Impact Assessment (EIA) study had been undertaken by Industrial Development Corporation of Odisha (IDCO). Government of Odisha has taken up with Environmental Protection Training and Research Institute (EPTRI) to carry out detailed EIA and Environment Management Plan (EMP).

4.10 On the status of Environmental Impact Assessment (EIA) for Visakhapatnam-Kakinada PCPIR, the Department has stated that the EMP/EIA Study have already been submitted to the Andhra Pradesh Pollution Control Board (APPCB). However, the public hearing is yet to start. In this regard, the Committee desired to know the latest position with regard to EMP/EIA Study and the public hearing. In reply thereto, the Department stated as under:-

The status of Environmental Impact Assessment studies for VK-PCPIR, through various agencies, is as under:

- 1) EPTRI to carry out Terrestrial Environmental Impact Assessment.
- 2) Marine Environmental Impact Assessment studies by M/s Indomer Coastal Hydraulics.
- 3) CRZ and CZMP studies by CSIR-NIO, Goa.
- 4) Consolidated report prepared by EPTRI and draft EIA report submitted to APPCB on 03.11.2014.
- 5) Public hearing is to be taken up by APPCB through District Authorities of two Districts Visakhapatnam and East Godavari (Kakinada).

4.11 During the evidence, the Committee expressed grave concerns over environmental pollution especially in the Andhra Pradesh PCPIR areas and the need for rigorous checks to ensure environmental compatibility. In response, the Secretary of the Department stated as under:-

"There are two aspects being raised here. One is with regard to environment compatibility and the issues which have arisen out of the violations of environmental standards and the consequences thereof. ....

The first is the environment compatibility issue. It is basically an issue which concerns the Ministry of Environment, Forests and Climate Change and we come into the picture because we are a development department for chemical and petrochemicals. From that angle it is our responsibility also to ensure that the environment does not get polluted and if it gets polluted, it will damage the interest of the industry. So, our interest is from that angle. We are in constant touch with the industry. We are acting as a bridge between the industry and the Ministry of Environment, Forests and Climate Change.

Coming to the point about pollution, there is absolutely no difference of opinion that chemical industry is a very polluting industry. Most of it is polluting. It is not only in India but it is the same all over the world. That is the fact of life.

.... I fully agree that so far, Indian chemical industry is the most polluting industry as far as environment compatibility is concerned. Many a time, they have been found reckless. But I am not willing to agree that nothing has been done on that. Lot of action, lot of work is also going on. The Ministry of Environment and Forests – I am personally aware – are taking a lot of steps. They are standardising all the pollutants and lot of investment is being made into the ETPs and CETPs. I am also aware that

when they are not controlled, it is leading to the pollution of soil, air, water, agriculture damage, damage to livelihood and damage to health. I have seen with my own eyes, skin diseases and health diseases. Kidneys are failing. Young men are becoming impotent. Girls are becoming infertile. I do not know whether somebody from Tamil Nadu is here. I am a personal witness to what happened to the chemical industry in Tirpur. The officers of Tamil Nadu stand witness that in one shot, in July 2005, the Government of India said we shut all the chemical industries of Tirpur irrespective of how much revenue it is earning. At that time it was earning about more than Rs. 10,000 crore to the State Government. But they took a stand. So, that awareness has to come.

In the meantime, I am not here to say that the State Pollution Control Boards should shirk their responsibility or the Central Pollution Control Board does not have their responsibility. The Central Pollution Control Board can interfere in the industry bypassing the State Governments also. They set the standards. They have their own role. The State Pollution Control Boards have their own role. I was only making a limited point that if there is a specific problem with a specific industry as it is being made out in Ramky in Visakhapatnam, the right thing to do is the Andhra Pradesh Pollution Control Board authorities have to shut it immediately. That will send the right message to the industry."

4.12 When the Committee specifically asked about the steps being taken by the Department to enhance marine security within the PCPIR, the Department replied that the required measures including Marine security are to be taken up by the State Governments at suitable time. The PCPIR Policy does not provide for Marine security. (RSL0P2, No. 3)

### **C. Disaster management**

4.13 When the Committee expressed their concerns over disaster management mechanisms within the PCPIR, the Joint Secretary of the Department stated during evidence held as follows:-

"As regards disaster management, basically we can see it in two parts. One is for anchor tenant or the major industry like IOCL, HPCL or NOCL. They will have their own disaster management plan. They will have all the facilities of handling disaster whether it is fire or any chemical accident or anything else. So they are capable of handling it and that facility will be available in house.

Other than major industries, for small and medium size industries, the disaster management is basically done by the district authority. There is a District Disaster Management Plan which is headed by the concerned Collector. Apart from that, the Management Board of PCPIR will have some provision for handling the disaster management for the small and medium sector industries also.

Once this Management Board and other things are finalised, we will be able to see how effective disaster management plan can be in place."

4.14 In this regard, the Secretary of the Department added the following points:

"In fact, in our proposed National Chemical Policy, which is in a very advanced stage, we have proposed an institution by name, National Chemical Safety Board. One of its functions is how to face the disasters in the chemical industries. There are so many other things. One of them is disaster management. I fully agree with the Member that much has not been done on that front so far. We need to do that and we are gearing up for that."

4.15 When the Committee enquired about mechanisms whereby the Government of India will provide for development of Disaster Prevention and Management Centre within each PCPIR, the Department replied in writing as under:-

"As per the PCPIR Policy 2007, Government of India will provide Viability Gap Funding through existing schemes for creation / upgradation of external infrastructure linkages to the PCPIR including rail, road, ports, airports etc. in Public Private Partnership (PPP) mode. State Governments, as part of infrastructure development and establishment of industry in the PCPIRs, have to set up required disaster prevention and management mechanism including escape route as per the law, during detailed master planning. So far no Government of India assistance has been provided for this purpose. Requisite budgetary provisions for creation of these linkages through the public sector will also be made wherever necessary."

4.16 The Committee further asked whether the Department proposes to provide financial assistance for construction of at least one escape route within the PCPIR to facilitate diversion of population/traffic in the unforeseen contingency or a disaster. In reply thereto, the Department stated in writing as under:

"As per the existing PCPIR Policy, Government of India would provide VGF for the eligible projects as per the guidelines of Department of Economic Affairs, Ministry of Finance. Construction of escape route has been earmarked in case of Dahej PCPIR and would be implemented during detailed Master Planning in case of rest of the PCPIRs. State Governments have demanded Government of India's grant / financial support to create initial internal infrastructure, common utilities, CETPs, disaster management etc. which have been incorporated in the draft of revised PCPIR Policy."

## CHAPTER 5

### IMPLEMENTATION OF PCPIRS

The Committee observed that at present there are four PCPIRs and these PCPIRs are at different stages of implementation and the actual progress is being monitored by PCPIR Steering Committee chaired by Secretary (C&PC). The PCPIRs have been actively promoted both at the domestic and international levels along with the State Governments and committed investors through road shows, in exhibitions, seminars, conferences etc..

#### **A Gujarat PCPIR**

5.2 As per the Department's Annual Report 2014-15, the status of implementation of Dahej PCPIR as on 31.12.2014 is as given below:

- "Draft Development Plan was sanctioned by the State Government in 2012 and at present 2 Town Planning (TP) schemes are under implementation.
- The Gujarat Infrastructure Development Corporation (GIDC) has spent Rs. 10,994 crore for provision of infrastructure in the PCPIR.
- Additional expenditure of Rs. 12,000 crore by State Government is under way on infrastructure development like road, ports, water supply etc.
- The important infrastructure activities to be undertaken in near future includes construction of roads with a proposed investment of Rs. 270 crore, construction of Common Effluent Treatment Plant (CETP) of 40 MLD capacity, completion of Water Supply Schemes, construction of setting up of a sub-station of 220 KV at Suva at Dahej-II.
- ONGC Petro additions Ltd. (OPaL), the Anchor Tenant, is setting up a dual feed cracker complex (naphtha to be supplied from ONGC and C2 / C3 to be extracted from imported LNG) at Dahej SEZ with a production capacity of 1.1 million ton / annum (MMTPA) ethylene and 0.4 MMTPA of propylene, along with the matching downstream polymer capacities (polyethylene and polypropylene). The total proposed investment is Rs. 21,396 crore. The overall progress of the OPaL's project as of 31<sup>st</sup> December, 2014 was around 93% and the project is scheduled for commissioning by March 2016.
- The products of OPaL's project will be HDPE, LLDPE, Polypropylene, Benzene, Butadiene, PyGas and Carbon Black Feedstock (CBFS).
- The Environmental Impact Assessment (EIA) process is in final stage based on the final Terms of Reference (ToR) approved by Expert Appraisal Committee (EAC) of MoEF in September 2013. Final draft report has been submitted to GPCB on 16.05.2014 for the public hearing. CRZ Mapping and Land use classification is in process. Final EIA has been submitted and uploaded on the website of MoEF in September 2015.
- As a follow up of independent evaluation of the implementation of Gujarat PCPIR, an activity wise action plan for Dahej PCPIR has been finalized after discussions among Department of Chemicals and Petrochemicals, GIDC, OPaL and others on 22<sup>nd</sup> September, 2014 at Gandhinagar, Gujarat.
- TERI conducted the socio-economic studies for all 44 villages & work has been completed. No relocation of any of the villages is proposed. A buffer zone of 300 to 500 meters has been provided from the outer boundary of the village site. TERI has submitted a detailed report about the gap analysis of the primary

livelihood requirements. A number of Initiatives have been under taken by Gujarat PCPIR Welfare Society based on the final report submitted by TERI.

- A PCPIR Welfare Society, registered under the Societies Registration Act, has been formed to look into welfare activities in the PCPIR. GIDC charges an additional amount of Rs. 15 per sq.m. of industrial plots allotted to fund such activities. An amount of Rs. 50.00 crore has so far been collected. PCPIR Society Sponsors more than 350 land losers in the form of Rs. 1500/- monthly stipend & tuition fees of Rs. 15,700 per year for technical training through 3 Skill-Upgradation centers. Society has sanctioned Rs. 1.7 crore for building toilets in 16 PCPIR villages of Vagara Taluka. GIDC has developed basic infrastructure such as internal roads & water supply in 10 villages and GIDC has spent Rs. 24.00 crore. GIDC is operating a water supply scheme set up at a cost of Rs. 8 crore to supply potable water to 5 villages. Model Anganwadi-cum-livelihood centers to be built by GIDC in all the 44 villages of the PCPIR."

5.3 Further, an overview of Dahej and its surrounding region in terms of industries and infrastructure development is given as under:-

- "The Gujarat PCPIR includes 33 villages of Vagara taluka and 11 villages of Bharuch Taluka of Bharuch District.
- Dahej is a brownfield area with major players including Reliance (former IPCL), GACL existing since 1993.
- The District of Bharuch witnessed a surge in investments in chemicals & petrochemicals, drugs & pharmaceuticals, engineering and textiles etc. The district is an inherent part of the popularly referred golden corridor for chemical and petrochemical industries which extends from Ahmedabad to Vapi. The presence of existing industrial estates at Dahej, Vilayat and Panoli has enhanced the location attractiveness of the Region.
- A large number of business conglomerates have set manufacturing units in this district including, Sanofi Aventis, Glenmark, Lupin, BASF, Bayer Crop Science EI, DuPont etc.
- The Gujarat PCPIR is well connected to NH - 8, SH - 6, SH- 13, SH - 64 & SH- 161. It is connected by railway through Samni line to Western Railway Delhi-Mumbai Line. The Gujarat PCPIR is 250 km away from the Ahmedabad International airport, 90 km from the Vadodara airport & 85 km from the Surat airport."

## **B Odisha PCPIR**

5.4 Paradip Investment Region Development Ltd. (PIRDL), an SPV for implementation of Infrastructure Projects within the Paradeep PCPIR, has been formed by IDCO. The SPV has been operationalized. Master Plan is under preparation.

- "Single Window Clearance Committee framework has been put in place by the Government of Odisha to facilitate investment proposals in the PCPIR.
- An MoU is expected to be executed between Indian Oil Corporation Limited (IOCL), the Anchor Tenant, and Government of Odisha by the end of March, 2015 on the road map of various projects to be undertaken by IOCL on development of downstream petrochemical industries in the PCPIR.
- IOCL has invested Rs. 32,018 crore (including contract awarded and committed) to set up 15 MMTPA refinery and a Polypropylene Unit. The refinery project is expected to be commissioned by the first Quarter of 2016.
- Polypropylene & Ethylene Derivatives from IOCL refinery are expected to be completed by 2017 & other feedstock to be available from the cracker at a later

stage. Government of Odisha invites investment from other Anchor Tenants (Petroleum refining / petrochemical complex) in the PCPIR.

- The PCPIR is well connected through NH 5A (six laning being undertaken by NHAI). New Cuttack-Paradeep Road has already been operationalized. New roads are planned to connect PCPIR with Bhubaneswar (greenfield) and other ports (Coastal Highway). Applications to Department of Economic Affairs for Viability Gap Funding (VGF) shall be made after preliminary assessment of the project is done.
- PCPIR is connected with a Broad Gauge double rail line. New Paradeep – Haridaspur rail line is expected to be operational by 2016. CONCOR is building a new Logistics Hub in PCPIR over 60 acres of land.  
Capacity of Paradeep Port will be augmented to 130 MMTPA by the end of 2015. Dedicated berth for Petroleum, Oil and Lubricants (POL) and 2nd 15 MMTPA Single Point Mooring projects are underway. Dhamra is an upcoming port, being developed by DPCL, with a capacity of 100 MMTPA out of which 25 MMTPA has been operationalized.
- The Surat–Paradeep gas pipeline (bi-directional) of 30 MMSCMD is being developed by GAIL with an investment of Rs. 5,400 crore. IOCL is also putting up a 5 MMTPA LNG Terminal at Dhamra port near Paradeep.
- Preliminary estimates have been prepared by Odisha Power Transmission Corporation Limited (OPTCL) for power supply (feeder lines+ substation). DPR is to be taken up for transmission lines to PCPIR. 40 acres of land has been provided to OPTCL. A 1320 MW thermal power plant by SPI Ports (P) Ltd is approved by High Level Clearing Authority (HLCA). Paradeep Plastic Park Ltd (SPV) is implementing the Plastic Park project at Paradeep. 120 acres of land in village Siju was allotted for the project and infrastructure development like road, boundary wall has been initiated by IDCO.
- Bidding process is in progress to award contract for Solid Waste Treatment & Disposal functions."

5.5 When asked to provide an overview of Paradip and its surrounding region in terms of industries and infrastructure development, the Department, in a written reply stated as under:

"The northern boundary of the PCPIR is formed by rivers Mahanadi and Nuna, the eastern boundary is formed by the upcoming refinery-cum-petroleum complex of IOCL and western boundary is formed by respective village boundaries.

The salient features of the region in terms of infrastructure and industries are given below:-

Location	<ul style="list-style-type: none"> <li>• Jagatsinghpur District Kujanga Block Ersama Block</li> <li>• Kendrapara District Marsaghai Block Mahakalapada Block</li> </ul>
Nearest Urban Centers	<ul style="list-style-type: none"> <li>• Paradeep</li> <li>• Bhubaneswar-Cuttack Metropolitan Region</li> </ul>
Arterial Roads	<ul style="list-style-type: none"> <li>• Existing roads for upgradation: NH-5A: Golden Quadrilateral to Paradeep Port SH-12: Cuttack-Paradeep</li> <li>• Proposed greenfield corridors Port Connectivity Corridor: Dhamra Port – Paradeep PCPIR- Astrang Port Capital Connectivity Corridor: Bhubaneswar-Paradeepo PCPIR</li> </ul>
Rail	<ul style="list-style-type: none"> <li>• East Coast Railway Cuttack – Paradeep Rail Link: Existing</li> </ul>

		Haridaspur – Paradeep Rail Link: Under Construction
Ports		<ul style="list-style-type: none"> <li>Paradeep Port – major port with 71 MMTPA capacity</li> <li>Minor port at Dhamra</li> </ul>
Airport		<ul style="list-style-type: none"> <li>Biju Pattnaik Airport at Bhubaneswar</li> </ul>
Existing Industries	Major	<ul style="list-style-type: none"> <li>IFFCO-Fertilizer unit</li> <li>Paradeep Phosphates Limited</li> <li>Paradeep Carbons Limited (Goa Carbons)</li> <li>Coal to Liquid Project (M/s SASOL &amp; M/s Tata Steel)</li> </ul>
Upcoming Industrial Projects	Major	<ul style="list-style-type: none"> <li>Within PCPIR <ul style="list-style-type: none"> <li>Refinery-cum-Petrochemical Complex of Indian Oil Corporation Ltd.</li> <li>Deepak Fertilizers and Petrochemicals Ltd.</li> </ul> </li> <li>In the region <ul style="list-style-type: none"> <li>POSCO Steel Plant – South of PCPIR</li> <li>ESSAR Steel Plant</li> </ul> </li> </ul>

5.6 As already stated in Para 3.5 above, the status of Anchor Tenant for Odisha PCPIR is as under:-

- "Commissioning of refinery has started and Polypropylene plant will be commissioned in 2017. Naphtha is not available for cracking and no commitment to set up Naphtha cracker can be made at present. In future gas and other options may be explored. Currently there is no availability of Natural Gas in Paradeep. IOCL, Paradeep is making modifications to make propylene from the Fluidized Catalytic Cracking (FCC) unit which will be converted into Polypropylene and can be utilized in the proposed Plastic Park in the same PCPIR location.
- The common view was that Anchor Tenants should supply feedstock to downstream industries commensurate with the incentives provided to it by the State Government the existing system of utilizing feedstock in captive units by Anchor Tenants needs to be countered as it does not allow downstream industries to set up/ expand manufacturing facilities.
- Ministry of Petroleum & Natural Gas, stated that currently IOCL is having difficulty in putting up of Naphtha cracker at Paradeep. They also stated that a clear road map for refinery configuration for integration of petrochemical product needs to be built in at the planning stage itself. Ministry of Petroleum and Natural Gas is working on setting up production units of building blocks at Paradeep refinery that includes Ethylene derivatives, PX-PTA, MEG, Coal Gasification based products, etc."

### C. **Andhra Pradesh PCPIR**

5.7 Draft Final Master Plan has been submitted to Government of Andhra Pradesh on 23.05.2014 for approval. As advised by the Government of A.P; VK PCPIR SDA has constituted an expert committee for scrutiny of the objections / suggestions received on draft Master Plan. The SDA has submitted comments on each of the objections to the State Government for further instructions/ approval.

- "EPTRI has completed EMP and EIA study and submitted draft EIA to VK-PCPIR SDA on 22.10.2014 and the same was submitted to AP Pollution Control Board on 03.11.2014. Public hearing is to be conducted.
- AP PCPIR covers 6 existing SEZs.
- In 2009 Government of India had approved financial support (Viability Gap Funding or VGF) of Rs. 1206.80 crore for infrastructure projects in PPP mode. Revised proposals for Transportation sector, Waste water infrastructure and Solid Waste management for Viability Gap Funding were submitted to

Department of Economic Affairs (DEA), Ministry of Finance in October 2013 for Rs 1773.57 crore, which have been approved found eligible for VGF and 'in principle' approval. Preparation of Detailed Project Report (DPR) for PCPIR Expressway has been initiated by VK-PCPIR SDA. State Government will submit the DPRs for approval of MEA.

- Hindustan Petroleum Corporation Limited (HPCL), the Anchor Tenant, is in the process of expansion of existing refinery from 9.3 MMTPA to 15 MMTPA. In order to set up a greenfield refinery-cum-petrochemical complex of 15 MMPTA capacity, efforts are being made to identify partners/ investors with HPCL.
- A LNG terminal is proposed near Gangavaram port by Petronet and at Kakinada port by GAIL and Shell.
- Currently Chennai - Howrah trunk line of South Central Railways (SCR) is serving the PCPIR area. Following railway projects are at planning stage:
  - a) Rail link from Kakinada port to SCR via Kakinada SEZ (38 km),
  - b) Connecting APSEZ to Gangavaram Port (26 km),
  - c) Connecting SCR trunk line to AP PCPIR (7.15 km),
  - d) Rail Freight Station with CFSs/ICDs, warehouses.
  - e) Railway Infrastructure Technical and Economic Services (RITES) has conducted Feasibility Study, and Detailed Feasibility Study for DPR is in progress for the projects mentioned at 'a' and 'b' above. The outlay for these projects is Rs. 1,610 crore.
- A Comprehensive study on Rail network in PCPIR through RITES for the following projects is proposed.
  - a) Branch line from Duvvada to Devada
  - b) Railway line along the proposed PCPIR expressway connecting all the three clusters.
- Construction of marine outfall in APSEZ, Visakhapatnam which is a part of PCPIR, is under progress.
- Tendering is in progress for construction of 1.50 MLD CETP at APSEZ, Visakhapatnam under EPC mode."

5.8 On being asked to give details of organizations or corporations which have indicated their interest in making investment in the Visakhapatnam-Kakinada PCPIR, the Department replied in writing as under:-

"The details of organizations or corporations, which have indicated their interest in making investment in the Visakhapatnam-Kakinada PCPIR are as under:

- 1) HPCL is planning a consortium with GAIL and other strategic investors to set up a 15 MMTPA green field Refinery cum Petro Chemical Complex in the PCPIR area and has taken up feasibility study in this regard.
- 2) As per Andhra Pradesh Re-organisation act 2014, IOC or HPCL shall within six months from the appointed day, examine the feasibility of establishing a Greenfield crude oil refinery and Petrochemical complex in the successor State of A.P.
- 3) The GMR Group has approached various international and domestic oil and gas majors, to understand their intention to establish a refinery in the Kakinada SEZ."

5.9 In regard to the examination of the feasibility of establishing a Greenfield crude oil refinery as part of Andhra Pradesh PCPIR, the Committee desired to have an updated status report. In reply thereto, the Department stated as under:-

"As informed by the Anchor Tenant, M/s. HPCL greenfield project to establish a refinery could not be materialized due to lack of feasibility and that they are in the process of taking up the feasibility study for establishing petrochemical complex without a refinery. The State Government has informed that feasibility study for anchor unit is expected to complete by June 2016 and then it would be placed before the Board of HPCL and GAIL for approval. After approval HPCL will inform Govt. of Andhra Pradesh and construction of anchor unit will take four years from commencement of the work."

5.10 The Department, during evidence, presented the investment details in the Andhra Pradesh PCPIR as under:

"Total projected investment: 3,43,000 crores.

- Proposed investment on infrastructure: Rs. 17,971 crore:

State Govt:	Rs. 2132 crore
Private:	Rs. 10565 crore
PPP:	Rs. 6034 crore with GOI share being Rs. 1206.8 crore (@20%)

- Investment already made in Industrial units (after notification) : Rs.37,010 crore.
- Preparation of DPRs for Viability Gap Funding (VGF) projects for infrastructure in the PCPIR are in process.
- Estimated employment generation: 11.5 lakh approx."
- 

5.11 When the Committee enquired about the existing settlements or industries and estates in Visakhapatnam-Kakinada PCPIR area which can be complementary to the proposed PCPIR, the Department replied in writing as under:-

"The following Industrial Parks / settlements are located in or close to the PCPIR, which can be complementary to the proposed PCPIR

- A) Industries: Existing Industries located in Industrial Parks, viz APSEZ, Pharamacity; Autonagar, Gajuwaka; Steel Palnt; Industrial Park, Vakalapudi.
- B) Settlements : Existing settlements viz. Elamanchili, Anakapalli, Parawada, Kakinada etc."

#### **D Tamil Nadu PCPIR**

5.12 State Government has taken up the activities of notification of the PCPIR and formation of PCPIR Management Board. Thereafter Master Planning and EIA activities will be taken up.

- "The Anchor Tenant, Nagarjuna Oil Corporation Limited (NOCL), has invested Rs. 7,812 crore in its refinery project. The overall progress of project construction was around 60% when the work was disrupted by "Thane" cyclone in December, 2011 and the company faced financial constraints. As a result the date of commissioning of the first phase of the project has been extended.
- The capacity of the project is planned to be increased from 6 MMTPA to 12 MMTPA.
- A product jetty for evacuation of petroleum fuels and a Single Point Mooring system for receiving crude are under construction and 51% overall progress has been achieved."

5.13 The Committee desired to know whether there any existing settlements or industries and estates in Cuddalore-Nagapattinam PCPIR area which can be complementary to the proposed PCPIR. In reply thereto, the Department stated as under:-

"The existing and ongoing industrial projects in the PCPIR delineated area include the following:

- a. The chemical industrial complex of M/s State Industries Promotion Corpn of Tamil Nadu (SIPCOT) in Cuddalore taluk .
- b. NOCL's Petroleum refinery project , TN PCPIR's Anchor unit – Under construction
- c. Thiruchopuram Port.
- d. IL&FS Tamil Nadu Power Company Ltd is developing a 3600 MW imported coal based Thermal Power Project in Tamil Nadu. The project would consist of a dedicated port/jetty with enabling infrastructure for import of 15-25 million tonnes of coal per year and other plant and machinery."

5.14 As per the Department, an investment amounting to Rs. 7812 crore only have so far been made in the Tamil Nadu PCPIR which is minuscule when compared with proposed investment of Rs. 92,160 crore. When the Committee asked the Department how the Department plan to reach the proposed investment to the tune of Rs. 92,160 crore, the Department replied in writing as under:-

"The details of Investment-under implementation and proposed in PCPIR in Tamil Nadu are as under:

Projects	Investment Estimates (Rs. Crs)	Status of the Projects
Nagarjuna Oil Corpn Ltd–Anchor Unit A Grass Root Petroleum refinery project of 12 Million tonnes per year (mtpy) capacity in two Phases Phase 1 @ 6 Millions tonnes per year Phase 2 @ 6 Millions Tonnes per year	16,500 10,000	Phase 1 to be Commissioned in 2017 Phase 2 to be commissioned in 2018-19.
New Investments (Planned). i) A Deep Sea Port with a FSRU for import of LNG and a Gas based Power Plant ii) A Large capacity Fertilizers Complex ( Urea / Phosphatics) and iii) A Petrochemicals Complex in Nagapattinam Dist, Tamil Nadu	36,000	State Govt has issued orders in Oct 2013, for setting up a Deep Sea Port, FSRU and a Gas based Power plant thro' a Joint Venture.
Others Petrochemical downstream plants / conversion units	30,000	Prospective Investments (to be facilitated)
Total	92,500	

The investment made in the Phase 1 of the Petroleum refinery Project of Nagarjuna Oil Corporation Ltd as on March 2015 is about Rs 8100 crores."

5.15 During the evidence, the Committee expressed strong concern over the delay caused to the implementation of the Tamil Nadu PCPIR due to cyclone in 2011. On the issue, a

representative of the Tamil Nadu Government updated the situation during evidence as under:-

"Thane cyclone did set back our project by four years. But now we have a new promoter coming in bringing in about Rs. 4,000 crore of fresh equity and then fresh loans are being sanctioned. We propose to re-start the project work by January, 2016 and complete the refinery by about 18 months from there. As the presentation showed, 60 per cent of the work was completed when the cyclone hit us. This is part of the Nagarjuna Fertilizer Group of Hyderabad. We also have Tatas as the second largest shareholder. So, it is quite a reputed company. But now with the infusion of funds, we are confident that it will be completed in about two years from now.

The other only point I wanted to mention is, in India all private refineries have been hit by cyclone. Reliance and Essar were also hit by cyclone in 1999.

My last request is this. I think the Joint Secretary has also made that point. There is a debate about which should come first, whether it is infrastructure or it is PCPIR. We believe the infrastructure, at least the transportation infrastructure like the highways and railways, if it comes, if not before, along with the construction of refinery and the other units, it will help in other downstream units to come in and set up. We are happy that for the Cuddalore PCPIR, there is a Budgetary provision of Rs. 1,500 crore for railways for doubling the Villupuram – Mayiladuthurai line, which is adjacent to our compound. But for the National Highway 45 A which is Cuddalore to Chidambaram there is a viability gap funding element is there. We would request at least for that road if it can be a complete budgetary support, NHAI can immediately start the work and complete four laning of the highway."

5.16 A representative from the Tamil Nadu Industrial Development Corporation Ltd (TIDCO) further clarified the matter during the evidence as under:-

"Tamil Nadu PCPIR is one of the top priority projects of the State Government. In fact, it was finding a signature project category list in the Vision Tamil Nadu 2023 released by the hon. Chief Minister in 2012. We got the approval in July, 2012 and then we signed a Memorandum Agreement with the Government of India in February, 2014.

The immediate task was to do a notification and master planning. There were some issues; it is a large area of 49 villages, some overlapping with some local planning area. Those have to be resolved. We had to choose such an relevant act which will really impact the local body. That took some time. Fortunately last month and this month, Additional Secretary of Industries Department convened a couple of meetings where these issues were resolved. Housing, Urban and Counter Planning Departments promised that this notification process would be complete by the end of this year; thereafter, we would take up the master planning, clean the environment assessment issue. As respected Nagarjuna submitted to the Committee, building the infrastructure upfront is the key to get large investment in any area in the country. Our own experience in Tamil Nadu Industrial Development Corporation, the promotion agency, we had good roads, airport, etc. We had automobile companies in 1990-1999; thereafter Hyundai and other big companies came. This is the history of bringing large investment in any area. So, we strongly feel that we have to construct road and railways not only to facilitate Nagarjuna for evacuation of their 7-8 MTs of fuel when they are coming up in three or four years time but also invite big petro chemical plants in that area.

We also submit that when we submit the final proposal to the Government of India and got the Cabinet approval in 2012, we had done a detailed study of all these infrastructure components – rail, roads, and utilities. In fact, it was examined – thanks to the help and coordination with the Department of Chemicals and Petro

Chemicals – it was approved after scrutiny by the Ministry of Road Transport and Highways and Railways. When they were sanctioned the budgetary support and funding, it was considered automatically that they would take up the project on their own because it is proved that there is a market, it is a feasible project. All those things were done. Then only the final report was submitted for the Cabinet Committee for approval.

We strongly submit to the hon. Chairman and hon. Members that these two infrastructure external linkage projects should be taken up with the concerned Department and Ministry so that we project our area for large investment in petrochemicals sector. Thanks to the efforts of the State Government which has signed MoU recently during the Global Investment Meet with Nagarjuna that this project would restart its construction, 60 per cent would be complete in January and then we would complete the first phase of project – 6 MT per year refining capacity in another couple of years. Simultaneously implementation of additional capacity of up to 12 MT per year would be taken up. We have also planned for downstream petrochemicals based on the refinery streams and enhancement of further capacity up to 30 MT per year in future."

### **Other issues relating to Implementation**

#### **Feed Stock**

5.17 The committee during the examination of the subject observed that provision of feedstock to the downstream industries is a major issue and during evidence Secretary to the Department stated as under:-

"There are two other major issues. These are contentious issues. ...The Anchor Tenants, the refineries, in simple words, they are willing to give the granules, what we call *dana* in the market, but they are not willing to give the feedstock in liquid and gaseous form. Now, the downstream industry, its feedstock is that gaseous and liquid in form whereas all our crackers are controlled by the refineries in India. So, therefore, these refineries are telling: "We cannot give it. If we give that feedstock to the downstream industry, our commerce and economic calculation will get offset and we will run into loss." These are very big issues between the two ministries, the Ministry of Chemicals and the Ministry of Petroleum and it is an issue which has been taken up in the policy. One huge meeting took place under the Chairmanship of the Cabinet Secretary. Another meeting is also proposed and this Ministry is actively pursuing this issue because unless the downstream industries are provided with the feedstock in gaseous and liquid form, no downstream industry can ever come. Therefore, the advantage will only go to the countries like China, Japan, Singapore, Thailand and Taiwan. Therefore, we are very committed. In fact, on a day to day basis we are fighting with the Ministry of Petroleum and Natural Gas. It is a big issue between the two ministries.

....I appreciate the hon. Chairman's idea that if we do not have sufficient feedstock within the country, we should explore the possibility of having feedstock from the nearby countries. In that direction, my Ministry has already taken steps. We are in touch with the Government of Iran. There is an area in Chabahar in Iran, which is a coastal area and which is about 1,000 kilometre away from South Gujarat and North Maharashtra, which is the concentration of the chemical industry. More than 50 per cent production takes place in this area. Therefore, the two Governments are in constant touch. One delegation headed by the Joint Secretary has visited there, interacted with all the agencies of the Government of Iran. We have also given our

inputs to the central Committee as to how much would be the investment and what are the parameters. Our proposal is that we should take the feedstock.

The last point is about the cheap import and Free Trade Area (FTA) and duty inversion. In chemical and petro-chemical what has happened is that in our own enthusiasm the highest level of apex duty, the import duty is at ten per cent. That means, other than exceptional cases, we cannot impose duty over and above ten per cent on anything whereas the countries at our development level like ASEAN countries or South East Asian countries, even for petrochemical and other products, they have duty as high as 30 and 40 per cent. So, once we have opened up our market and given free access through FTAs, not only MNCs but our own Indian companies find it better to produce there and bring hundred per cent to India rather than putting up manufacturing facilities in India. We have to address this issue at macro as well as at the micro level. Unless we do that, import will increase because there is no protection to the domestic industry. Simultaneously we have taken up very seriously the issue of FTA with the Commerce Ministry that at the time of review, we should be consulted and the industry should be consulted directly. That will definitely help."

## CHAPTER 6

### Employment and Welfare Measures

#### A. Employment Generation

One of the major aims of the PCPIR project is to generate numerous employment opportunities. The four PCPIRs together are envisaged to give direct and indirect employment to 33,96,000 people.

#### Dahej PCPIR

6.2 As per the Department, 78000 persons have so far been employed at Dahej PCPIR. When asked to provide a detailed break up of jobs/works available because of PCPIR project in Dahej, the Department replied as under:

- Existing industrial units have given direct employment to above 32,000 persons.
- Additional around 96,000 people are indirectly employed within PCPIR (as on 30.09.2013). This includes:
  - ▶ Thousands of persons employed in construction activities of industrial units, residential townships, infrastructural works etc.
  - ▶ The large scale economic and industrial activities generate self-employment opportunities.
  - ▶ People employed in various activities pertaining to the logistics and movement of freight etc.

6.3 The Department has informed that, on its completion, the Dahej PCPIR will give employment to 8,00,000 people. When asked to explain how this target is to be achieved, the Department replied in writing as under:-

"The employment target would be achieved by 2025 or after the implementation of all industrial units, whichever is later.

The direct employment generation is seen as a total of existing industrial population, upcoming industrial population, upcoming petrochemical unit of OPaL and proposed downstream units. This forms the core activity of the PCPIR which will generate direct employment of 190,000. The trickle down effects will be in the form of additional economic activities in the form of utility & service providers, transporters & truckers, hotels, restaurants, travel operators, etc."

6.4 When the Committee asked whether the Anchor Tenant/Department have a recruitment policy and what benefits are accorded to the local people for employment in the PCPIRs, the Department stated in writing as under:

"The PCPIR Policy does not provide any direct benefit to local people for employment in the PCPIRs. Though the technical persons and skilled labours would come from outside the project area. Bulk of the labour force would comprise of unskilled and semi-skilled workers, a substantial number of whom would presumably to be recruited from the surrounding areas itself. Majority of the unskilled workforce may settle near the construction sites. The direct employment generation is seen as a total of existing industrial population, upcoming industrial population, upcoming petrochemical unit of OPaL and proposed downstream units.

This forms the core activity of the PCPIR which will generate direct employment of 190,000. The trickle down effects will be in the form of additional economic activities in the form of utility & service providers, transporters & truckers, hotels, restaurants, travel operators, etc."

6.18 On the issue of imparting Skills Development Programme in the Dahej PCPIR, the Department informed in writing as under:

- "GIDC has developed Skill Up-gradation Centers (SUCs) to provide technical skill to the land losers. This is in synchronization with the rapid industrial development in Dahej – PCPIR which would generate huge requirements of skilled labour. GIDC has made 3 Skill Up-gradation Centers (SUCs) located in Gujarat PCPIR through their skill development partner M/s. GOLS Academy
- For this Skill Development Program, PCPIR Welfare Society sponsors fees of Rs. 31,500/- per candidate of land losers and monthly stipend of Rs. 3,000/- to each candidate for their two years technical course at SUC run by M/s. GOLS Academy.
- 344 candidates of land losers of PCPIR villages have been enrolled in SUCs and about 150 candidates have successfully completed their two years technical program.  
More than 69 candidates have been placed in industries within Dahej PCPIR through the intervention of GIDC."

### Odisha PCPIR

6.5 The Department had indicated that 38,000 persons have so far been employed at Paradip PCPIR. When asked to provide a detailed break up of jobs/works available because of PCPIR project, the Department has furnished the details as below:-

"The details are as follows:

Sl no	Name of the Company	Direct	Indirect (Labour)
1	Paradeep Port Trust	2257	1000
2	IOCL	501	25000
3	IFFCO	1333	3500
4	Paradeep Phosphate Ltd	1061	527
5	Goa Carbon	98	329
6	Essar	350	1500
7	Cargil India	62	185
8	Skoll Breweries	82	175
	<b>Total</b>	<b>5744</b>	<b>32216</b>

6.6 The Department had stated that the Paradip PCPIR plan envisaged that on its completion, up to 6,48,000 people will find employment in the Project. When the Committee enquired how this target is to be achieved, the Department replied in writing as under:-

"The details of sector wise position of actual and estimated employment as conveyed by the State government are as follows:

Sl No	Sector	Actual (as on 31-03-2014)			Estimated* (in future)			Total (actual + estimated)		
		Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
1	Chemicals and Petrochemical Units	2993	29356	32349	141007	249144	390151	144000	278500	422500
2	Infrastructure	2257	1000	3257	42743	66500	109243	45000	67500	112500
3	Other Industries	494	1860	2354	2500	9000	11500	2994	10860	13854
4	Ancillary Sectors				37500	75000	112500	37500	75000	112500
	Total	5744	32216	37960	223750	399644	623394	229494	431860	661354

\*The direct employment potential for each of the PCPIR sectors has been estimated based on the industry norms and professional judgment.

6.7 When the Committee enquired whether the Anchor Tenant/Department have a recruitment policy and whether benefits are accorded to the local people for employment in the Paradip PCPIR, the Department replied as under:-

"Indian Oil Corporation Ltd (IOCL) and Government of Odisha have a local employment policy. PCPIR Paradeep aims at social development and employment generation as top priority in the region."

6.8 The Committee expressed their concern over the local people who have lost their land and properties as a result of the PCPIR project and asked the Department to ensure that the local people who sacrificed their land for the project be accorded preference for jobs and other benefits. To this, a representative from the Government of Odisha stated during the briefing held on 29.10.2015 as under:-

"This refinery is going to be commissioned very soon as was informed earlier also and at the time of the project implementation, there was a time when 35 to 40 thousand people were employed in the project activities and bulk of these people except for very high skills were from the State of Odisha. I agree with hon. Member that our effort is fully there to employ as much as local people as possible. As far as direct employment within Indian oil is concerned, we are guarded by the Government of India Rules and depending upon the skills required and skills available, we are doing that. We are also establishing a skill development centre within the State of Odisha which will help in generating skills locally which will be utilized not only in the refinery but also in the industries which are going to come up PCPIR."

6.9 When the Committee further asked whether any Skills Development Programme been conducted for the local people for employment in the Paradip PCPIR, the Department furnished its reply as under:-

"Infrastructure Leasing and Financial Services (IL&FS) shall be setting up a Skill development centre. Besides, Central Institute of Plastics Engineering and Technology (CIPET) has set up its centres at Bhubaneswar and Balasore in the State which will meet the skill development training requirements of local youth. Existing ITIs etc. are already functional."

## Andhra Pradesh PCPIR

6.10 As per the Department, the Visakhapatnam-Kakinada PCPIR plan envisaged that on its completion, up to 11,98,000 people will find employment in the Project. When asked to explain how this target is to be achieved, the Department replied in writing as under:-

"The sector- wise employment potential in VK-PCPIR is estimated as under:

S.No.	Sector	Direct Employment (Nos)	Indirect Employment (Nos)
1	Petroleum	16,000	24,000
2	Petrochemicals	54,000	81,000
3	Chemicals and Fertilisers	52,000	78,000
4	Ancillary sectors	1,92,000	3,84,000
5	Infrastructure-logistics, zone hubs, port etc.,	2,11,000	1,06,000
	<b>Total</b>	<b>5,25,000</b>	<b>6,73,000</b>

6.11 The Department has intimated that 93,500 persons have so far been employed at Visakhapatnam-Kakinada PCPIR. In this regard, the Committee desired to have a detailed break up of jobs/works available because of PCPIR project. In reply thereto, the Department stated as under:-

"The details of employment to be generated from the committed investments and the actual employment provided by the industrial units located in the industrial estates/SEZs/stand alone units in the VK-PCPIR, as on date, is as follows:

S. No.	Name of the Company	Employment Generated as on today	Employment to be generated as per committed investments
1	JNPC	4,918	10,319
2	APSEZ	2,227	5,305
3	Ramky Pharma City SEZ	3,320	976
4	Bulk Allotments like Brandix, BARC etc.,	18,000	65,000
5	IC Pudi	675	2,352
6	IC Krishnampalem	0	980
7	IC Duppituru	80	600
8	Denotified Area in SEZ	0	7,720
9	Parry Infrastructure	200	248
	<b>Total</b>	<b>29,420</b>	<b>93,500</b>

6.12 On being asked whether the Anchor Tenant/Department have a recruitment policy and about the benefits that are accorded to the local people for employment in the PCPIRs, the Department replied in writing as under:-

"The Government of Andhra Pradesh has informed that once the Anchor tenant is finalized, the visibility regarding the recruitment policy and the benefits accorded to the local people for employment will emerge. However, it has always been the endeavor of the State Government to ensure that maximum benefits accrue to the local populace."

6.13 To the Committee's query as to whether any Skills Development Programme have been conducted for the local people for employment in the PCPIR, the Department replied as under:-

"Since the anchor unit is not finalized and grounded, so far, no skill development programme has been taken up for the local people in specific relation to the PCPIR. However, the regular Skill Development schemes by the entities of the Government of Andhra Pradesh have been taken up in the VK-PCPIR region."

## Tamil Nadu PCPIR

6.14 The Cuddalore-Nagapattinam PCPIR plan envisaged that on its completion, up to 7,50,000 people will find employment in the Project. When asked to explain how this target is to be achieved, the Department stated as under:-

"There are 12 major manufacturing units operating with direct employment of 2790 people and indirect employment of 11,160 people. The additional economic activity will generate employment for an estimated 7,37,200 people in direct and indirect employment shown in the table below:

Type of Industries	Employment Potential		
	Direct	Indirect	Total
Green field refinery (12 MMTPA)	1000	4000	5000
Other units (Chemicals / Fertilizers / polymers / Plastics / Ancillary units)	113,520	454,080	567,600
Other infrastructure projects viz power plant, Port, logistics, etc.	33,120	132,480	165,600
<b>Total</b>	<b>146,640</b>	<b>590,560</b>	<b>737,200</b>

The Government of Tamil Nadu has further submitted that the detailed breakup of actual employment created in both direct and indirect categories and the Estimates on future employment will be worked out with authentication when the Anchor Unit project company viz., Nagarjuna Oil Corporation Ltd (NOCL) restart the construction activity.

6.15 As per the Department, 13,950 persons have so far been employed at Cuddalore-Nagapattinam PCPIR. When asked about the detailed break up of jobs/works available because of PCPIR project, the Department replied as under:-

"There are 12 major manufacturing units in the SIPCOT industrial complex Phase 1, Cuddalore, Taluk, with direct employment potential of 2790 people and indirect employment of 11,160 people. The break up details on this employment are below.

Name of Industry	Employment Potential (Nos)		
	Direct	Indirect	Total
Atofina Peroxides India Ltd	95	380	475
Bayer Sanmar Ltd	40	160	200
EID Parry (India) Ltd	60	240	300
J.K. Pharmachem Ltd	250	1000	1250
Tanfac Industries	250	1000	1250
SPIC Pharma	450	1800	2250
Shasun Chemicals	450	1800	2250
Rallis India Ltd	30	120	150
Pentasia Chemicals	195	780	975
DSQ Biotech Ltd.	280	1120	1400
Vanavil Dyes & Chemicals Ltd.	300	1200	1500
DSQ Beverages	390	1560	1950
Total Employment from Existing Units	2790	11160	13950

6.16 The Committee enquired about the benefits that are accorded to the local people for employment in the Cuddalore-Nagapattinam PCPIR. In reply thereto, the Department replied in writing as under:-

"The Anchor unit of the PCPIR in the Cuddalore – Nagapattinam Districts viz. the petroleum refinery project of M/s. Nagarjua Oil Corporation is a Joint Venture of Tamil Nadu Industrial Development Corpn.Ltd., as per the Joint Venture Agreement, the policy with respect to employment / recruitment is given below:

- The following shall be the guidelines to be observed subject always to the prerequisite that the persons to be employed by the Company shall possess the qualifications and experience necessary for the posts, to which the recruitments are to be made:
  - a) Employment opportunities below supervisory level shall be open primarily to the residents of Tamil Nadu who are well conversant with the local language and recruitment of Candidates to such jobs shall be made so far as possible through the local Employment Exchange.
  - b) The creation of and recruitment to all posts at Senior Management level (i.e. the positions directly reporting to the Board of Directors) shall be made only with the sanction of the Board of Directors of the Company.

6.17 When the Committee further asked whether any Skills Development Program have been conducted for local people for employment in the PCPIR, the Department informed that Skills Development Programs will be conducted for local people for employment in the PCPIR by the PCPIR Management Board.

#### **B. Compensation, Rehabilitation and Welfare Measures**

6.18 The PCPIRs are originally envisaged with each to cover an area approximately of 250 sq. kms. Hence, acquisition of land and displacement of people living in the Region will be necessary. Therefore, it is important to devise proper mechanisms whereby adequate compensations are paid to the affected people and their rehabilitation and welfare taken care of.

#### **Dahej PCPIR**

6.19 In this regard, when the Committee enquired about the compensations being paid to residents of about 44 villages affected by the Dahej PCPIR in Gujarat, an official of the Gujarat Government during the evidence, inter alia, stated, as under:-

"It is important to note that the total PCPIR is spread over 453 square kilometre. But as the Joint Secretary pointed out in his presentation, it is not necessary to physically acquire the entire land. To give specific statistics, the Dahej PCPIR is being implemented by the Gujarat Industrial Corporation, which is a 100 per cent State owned PSU. So far we have acquired 25,206 acre of land in the entire PCPIR. The Committee would be happy to note and we are proud that out of this 25,206 acre, 22,541 acre, which is almost 90 per cent of the total land acquired, has been through consent. The price we have given is so liberal that the farmers have readily come forward to give their land through consent. So, the 90 per cent of the land, which has been acquired, has been through consent award.

To give the price factor as to why this has been possible, I would say that the first acquisition was made for the erstwhile Indian Petrochemical Ltd., which is now Reliance Chemicals Ltd. in 1993-94. That time, I had the good fortune of myself being the Collector of Baruch and I had undertaken the process of land acquisition. The average market price prevailing in that area as per the Government record was Rs.5000 per acre as per the five yearly sale price because the Vagra block in which Dahej PCPIR is located used to have drought once in three years and there were scarcity of water. IPCL acquired the land by paying Rs.56000 per acre to the land owners. So, the entire land was acquired through consent. After that Gujarat Alkalies and other companies came there.

...I would like to mention that we were paying Rs.56000 per acre in first acquisition. This was increased in 1995 to Rs.1,09,000 per acre. Again, it was increased in 2010-11 to Rs.7,08,000 per acre. In 2011-12 and 2012-13, we paid Rs.18,01,000 per acre for the land that was acquired in Dahej.

But that is not all. The most important issue, which the hon. Member has raised is this. What are we doing for overall rehabilitation? I would just like to mention that we have a very liberal policy for what we are doing for the land losers in Dahej. We are ensuring that each member of a family of the land losers gets a job in the companies there. We also ensure that one per cent of the total land acquired is given to the village for developing a common facility / infrastructure. We have a Land Aggregation Policy for Dahej. In fact, one important thing is that whatever land we acquire, we charge an extra Rs. 15 per sq. m. and we contribute it to what is known as PCPIR Welfare Society. This money is directly used for the welfare of the people, and so far we have collected more than Rs. 100 crore, which we are using directly for the welfare of the people.

But for the land losers, we have a GIDC land aggregation policy initiative, which is a new comprehensive participative policy. It is in four parts. Compensation and sharing -- 10 per cent of the differential amount between the allotment price and the consent price is given to the land owners; land owner will be given commercial plot at the rate of 1 per cent of the acquired land at a token rate of Rupee one. So, if we acquire, let us say 10 acres from a land owner, it is 40,000 sq. m. and we will give him free of cost 400 sq. m. of commercial plot for developing into any commercial activity that he may like to do and one-time assistance equal to 750 days of minimum wage. It is because once land is acquired, then he takes time to relocate. So, two years of minimum wage we give him if he loses the entire land and if he loses part of the land we are giving him 500 days of minimum agriculture wage over and above the land acquisition price of Rs. 18 lakh per acre. We are providing training in ITI of up to 2 years to the people between the age of 18 and 45 years of the entire PCPIR so that their skills get upgraded. We have a scheme of Skill Upgradation Centres all over the State implemented by the GIDC, and in ITI or Skill Upgradation Centre we are upgrading their skills. The trainee is paid stipend also and it is free-of-cost training, and over and above the expense of training that we incur, we give a stipend and obtain employment to one member of the land loser's family. Three per cent of the total price recovered from the allottee of the land will be utilised for public purpose projects.

So, we do not just provide compensation, which is very liberal of Rs. 18 lakh per acre. We have a comprehensive participative policy to make him a participant in the development of the PCPIR. This has been a very successful policy. It has led to 90 per cent of the land being acquired through consent procedure."

6.20 Regarding the Gujarat model of Relief and Rehabilitation, a representative of the Department further stated during the evidence as under:-

"There is one more point about the Gujarat model of Relief and Rehabilitation and about the Management Board. Gujarat level of R&R is there which definitely all other

States must be trying to copy or implement a part of it. That is a good idea. What we will do is that we will circulate that document to the other PCPIR States also so that when they frame their policy or they upgrade their policy, they can take all those characteristics into consideration.

### **Paradip PCPIR**

6.21 Regarding Paradip PCPIR in Odisha, the Committee enquired whether the project involve any displacement of people or resettlement. In reply thereto, the Department stated in writing as under:

"The Master Plan of Paradeep PCPIR is planned in such a way that the villages covered fall within the Non- Processing Area of PCPIR and these shall not be acquired. The R&R site within the PCPIR is proposed over 136 acres to accommodate rehabilitation of minor R&R requirements due to road widening schemes, and other infrastructure up-gradations proposed in the PCPIR. The displacement anticipated during the land acquisition in the area for the Phase- I of the Processing Area would be around 105 families. The actual displacement details shall be ascertained after detail socio-economic survey of the area is made.

### **Visakhapatnam-Kakinada PCPIR**

6.22 When the Committee enquired whether the proposed Visakhapatnam-Kakinada PCPIR involve any displacement of people or resettlement, the Department replied that the Government of Andhra Pradesh had informed them that as per the draft Master plan prepared by VKPCPIR Special Development Authority (SDA), no resettlement of habitations is envisaged.

### **Cuddalore-Nagapattinam PCPIR**

6.23 Regarding Cuddalore-Nagapattinam PCPIR in Tamil Nadu, the Committee desired to know whether land acquisition and other related works have been completed and whether there any concerns regarding land acquisition that still needs to be resolved. In reply thereto, the Department stated in writing as under:

"As of now, land availability in the PCPIR is about 2721 hectares in Cuddalore district. This comprises existing industrial units' area and ongoing projects' area which includes the area handed over for the Petroleum Refinery Project of NOCL.

About 95 hectares of additional land is under acquisition by TIDCO. This land will be handed over to NOCL for its expansion plans and downstream Petrochemical units based on refinery streams after approval by Govt of Tamil Nadu. There are no concerns regarding this land acquisition. After completion of the Master Plan the lands identified for the PCPIR specific projects viz., Sea Water Desalination Plant , CETP and STP will be acquired.

6.24 Further, the Committee asked whether the proposed Cuddalore-Nagapattinam PCPIR involve any displacement of people or resettlement to which the Department replied that the Cuddalore-Nagapattinam PCPIR may not involve any displacement of people or resettlement.

## CHAPTER 7

### Other Important Issues

#### **Revision of Policy**

The planning and implementation of the PCPIR Policy since 2007 has encountered certain problems. The sheer scale of investments envisaged and the large size of the PCPIRs proposed have thrown up numerous challenges. Hence, the Department has suggested certain revisions in the PCPIR policy.

7.1 In this context, the Secretary of the Department has stated during the evidence as under:-

"After an experience of seven years and since we have faced certain issues in the implementation of the PCPIR Policy, we have proposed an amendment and revision of the Policy. So, the review is pending before the Cabinet Secretariat. A Committee of Secretaries have already been constituted. One meeting of the Committee of Secretaries had already taken place.

The first major issue which we have taken up for the easy implementation of PCPIR is that there should be a single window clearance for all the statutory clearances required by any industry.

The second issue is that there are many States who cannot afford to have an area of 250 kms. Therefore, on case-to-case basis the discretion should be left to the Government to reduce it to a minimum of 50 sq. km. area.

The third main issue which have put up for review is that there should be mandatory availability of feedstock from the anchor tenant of the PCPIR. In addition to that, we should also have provision of putting additional anchor tenant and not only that, we should also make efforts to bring the feedstock from other countries.

The fourth major proposal which we have given for review is that, as of today there is no budgetary support for the PCPIRs and all the expenditure is done either on PPP mode or by the State Governments or by the industry. So we have proposed for the common internal infrastructure and that the Government of India should also make some budgetary contribution to incentivise the State Governments."

#### **Promotional Activities**

7.3 When asked to mention the details of the road shows, exhibitions, seminars and conferences organized by the Department to promote the PCPIRs during the last three years, the Department replied in writing as under:-

"The PCPIRs have been promoted both at the domestic and international levels along with the State Governments, Anchor Tenants and involving industry bodies through industry interactions, road shows, exhibitions, seminars, conferences etc. Meetings with industry representatives were held during visits of delegations led by Secretary, Department of Chemicals and Petrochemicals to Houston, USA in 2013 and China, Japan and Singapore in 2014. In 2015, Road shows to promote Paradeep PCPIR were held at Hyderabad and Chennai by the Industrial Development Corporation of Odisha Ltd. (IDCO).

The following measures were taken by the Department and other agencies for the promotion of PCPIRs:-

- Presentations, brochures and other marketing materials circulated during the visits of International delegations.
- Newspaper Advertisements have been given by State Governments.

- Promotion through websites of Industries and Mines Department (IMD), GIDC and Gujarat Petroleum, Chemical & Petrochemical Special Investment Regional Development Authority's (GPCPSIRDA) website, IDCO, Invest Odisha, APIIC etc.

The Government of Gujarat has undertaken the following promotional activities:

- Exhibitions showcasing Gujarat PCPIR during various events listed as below:
  - ▶ Vibrant Gujarat: 2015, 2013 and 2011(Gandhinagar)
  - ▶ India Chem: 2014 (Mumbai), 2013 (Gandhinagar) & 2012 (Mumbai)
  - ▶ Vadodara Chamber of Commerce & Industry (VCCI) Exhibition: 2014, 2013 and 2011 (Vadodara)
  - ▶ Vapi Industries Association Expo: 2015 & 2012 (Vapi)
  - ▶ Udyog Biennial International Industrial Exhibition: 2014, 2012 & 2010 (Surat)
  - ▶ Vyapar Expo: 2013 & 2011(Surat)
  - ▶ Chemtech World Expo: 2011 (Mumbai)
  - ▶ Ummat Business Conclave: 2014 (Ahmedabad)".

7.4 When asked to make a list of the visible results and benefits arising from the above-mentioned programmes of the Departments in support of PCPIRs, the Department furnished its response in writing as under:-

"It is difficult to apportion event wise outcome in terms of investment etc, however, as per the information received from State Governments the total investment made in the four PCPIRs as of March 2014 was around Rs. 1.48 lakh crore which has reached to around Rs. 1.60 lakh crore by end of March 2015. The employment generated has reached from 2.22 lakh to 2.23 lakh during the same period. In case of Dahej PCPIR 360 MoUs have been signed during Vibrant Gujarat events 2009 to 2015 and investment of around Rs. 41000 crore has been made in PCPIRs as follows:

- MoUs/Investment Intention Forms (IIFs) were signed for development in Dahej PCPIR during various Vibrant Gujarat Summits:
  - ▶ In Vibrant Gujarat Summit 2009, 69 MoUs were signed
  - ▶ In Vibrant Gujarat Summit 2011, 151 MoUs were signed
  - ▶ In Vibrant Gujarat Summit 2013, 79 IIFs were submitted
  - ▶ In Vibrant Gujarat Summit 2015, 61IIFs were submitted"

7.5 Regarding the steps being taken by Odisha PCPIR for promotional activities, the Department has submitted as under:-

"The Government of Odisha has organized Road shows in Hyderabad, Chennai, Bhubaneswar etc in June & July 2015 and also participated in India Chem event to promote chemical & petrochemical industry. Petrochemical sector has been kept in 'priority sector' in the Industry Policy of Odisha to expedite investments.

**NEW DELHI;**  
**18 FEBRUARY, 2016**  
**29 PHALGUNA, 1937 (SAKA)**

**(ANANDRAO ADSUL)**  
**CHAIRPERSON,**  
**STANDING COMMITTEE ON**  
**CHEMICALS AND FERTILIZERS**

## **OBSERVATION/RECOMMENDATION NO. 1**

### **Budgetary provisions**

During the course of the examination of the subject the Committee observed that there is lack of budgetary support for the PCPIRs by the Central Government and no provisions have been made in the Demands for Grants specifically for the implementation of PCPIRs. The Department in this regard informed the Committee that State Government such as Odisha, Gujarat and Andhra Pradesh are seeking some kind of financial incentives and handholding in the form of budgetary support from the Central Government. When the Committee enquired about the Viability Gap Funding (VGF), the Secretary of the Department of Chemical and Petrochemical stated that the 20 percent contribution towards Viability Gap Funding could be diverted as budgetary contribution either towards State Public Sector Undertakings (PSUs) or the State Government implementing the PCPIR project. Further, the Department has stated that a minimum amount of Rs 1000 crore should be the amount for each PCPIR from the Government of India.

The Committee therefore, recommend that the required budgetary allocation preferably the demand of the minimum of Rs. 1000 crore to take care of infrastructure, etc. for each PCPIR should be explored. The Department must take up the matter earnestly with the Ministry of Finance for allocation. The Committee would like to be apprised of the action taken by the Government in this regard.

## **OBSERVATION/RECOMMENDATION NO. 2**

### **Public Private Partnership (PPP)**

The Committee observed that there is lack of response from investors to participate in the PCPIR projects under the Public Private Partnership (PPP) mode. In this regard, the Department has stated that the private firm who is a developer or co-developer has to invest large amount of funds beforehand and there is long gestation period between the time money would be invested and repayment time for the investors. Also the slow creation of infrastructure acts as a disincentive. Therefore, not many private firms are interested in investing in projects and many are reluctant to come on board.

The Committee are deeply concerned about the lack of private funding under the PPP mode in the project. The Committee, therefore, recommend that the Government of India should mull over giving some kind of incentives or concessions may be in terms of easing the formalities for these projects and tax concessions, etc.

to the private firms to invest in the PCPIR projects so that the PCPIRs are developed to its full capacity. The Committee hope that the Department will seriously consider these issues and come out with a comprehensive plan to address the problem at the earliest.

### **OBSERVATION/RECOMMENDATION NO.3**

#### **Monitoring**

The Committee noted that at the Central level a Monitoring Committee headed by Secretary (Chemicals and Petrochemicals) used to monitor the progress of implementation of PCPIR periodically prior to 2014. The Committee were further informed that in the meeting called by Minister of Chemicals and Fertilizers to review the progress of PCPIR on 10.07.2014, it was decided to constitute Steering Committee for PCPIR project under the chairmanship of Secretary (Chemicals and Petrochemicals) in order to expedite the implementation of PCPIRs. The Steering Committee, consisting of representatives from concerned central Ministries, State Governments and Anchor Tenants have so far held seven meetings. Further, as per PCPIR policy at the State level, a Management Board would monitor the project.

In this regard, the Committee are of the opinion that proper coordination of the PCPIRs at the Central and State level is lacking. Under the present arrangement, there seem to be no rules regarding the frequency of the sitting of the Steering Committee. The wide disparities relating to implementation of the four PCPIRs is reflective of this lack of coordination at the Central and State levels. Therefore, the Committee recommend that the Department should review the monitoring mechanism followed for implementation of PCPIRs and ensure proper coordination amongst the Anchor Tenants, State Governments and the Centre so that issues can be sorted out expeditiously. The Committee further urge that while expediting the establishment of Management Board in each PCPIR, the Department may also explore the feasibility of setting up Management Boards for each PCPIR both at the Centre and State level so that the implementation of the projects can be further accelerated. The Committee expect to be apprised of action taken in this regard.

### **OBSERVATION/RECOMMENDATION NO 4**

#### **Master Plan, Environmental Clearance and Disaster Management**

- (a) The Committee noted that the Development Plan / Master Plan of Dahej PCPIR, Gujarat has been sanctioned in September, 2012 and town planning schemes

are being implemented. The Master Plans of Paradip PCPIR, Odisha and Vishakhapatnam – Kakinada PCPIR, Andhra Pradesh are in process. Master Plan activity for the PCPIR in Tamil Nadu would be initiated by the State Government after notification of PCPIR and formation of the Management Board. The Committee in this regard recommend that the Master Plans for Paradip PCPIR, Visakhapatnam-Kakinada PCPIR and Cuddalore-Nagapattinam PCPIRs may be finalized expeditiously in a time bound manner.

- (b) The Department has assured the Committee that safeguards relating to the environment and chemical hazards will not be compromised, but concrete action would be taken to ensure the same. The Committee noted that the environmental clearance with regard to the Dahej PCPIR is in its final stages but the Coastal Regulatory Zone recommendations are still awaited as the CRZ Committee have not yet been constituted by the State Government. The Committee were informed that concerns relating to air and water pollution are being taken care of by the companies concerned established in the region who have their own standards or by the Common Effluent Treatment Plant (CETP). As regards Andhra Pradesh PCPIR, the Committee observed with concern that the public hearing regarding the Andhra Pradesh PCPIR is yet to be taken up by Andhra Pradesh Pollution Control Board through the district authorities of two districts i.e. Vishakhapatnam and East Godavari (Kakinada). The Committee were given to understand that once the anchor unit is finalized, based on its location, size and configuration, Master Plan will be finalized and accordingly the public hearing will be conducted. Regarding Odisha PCPIR, the Department has informed that the Industrial Development Corporation of Odisha, Government of Odisha has taken up with Environmental Protection Training and Research Institute to carry out detailed Environmental Impact Assessment and Environment Management Plan. Further, during the evidence it was also informed that environment clearance is in the final stages and is with the Ministry of Environment, Forests and Climate Change for clearance.

The Department has accepted that chemical industries are very polluting industries. The Committee, therefore, desire that there should not be any compromises or laxity on the safety safeguards as far as environmental pollution is concerned. The Committee are happy to note the positive developments for environment clearances relating to the Dahej PCPIR. As

regards the constitution of CRZ Committee, the Committee recommend the Department to take up the matter with the State Government of Gujarat vigorously to expedite its recommendations. The Committee further desire that the Department/State Government should not leave the question of enforcing strict environmental cleanliness standards on the investors and companies alone. There should be a strict oversight mechanism so that the environment and public health do not suffer because of the project. The Committee observe that Environment Impact Assessment studies of Paradip PCPIR and Visakhapatnam-Kakinada PCPIR are at different stages and in respect of Tamil Nadu PCPIR, EIA is yet to be undertaken. The Committee feel that Environmental Clearance is the main issue in the Master Plan and as such cannot be isolated from the Master Plan. The success of a PCPIR project depends upon the expeditious environmental clearance. The Committee, therefore, recommend that the Department should actively coordinate with the Ministry of Environment, Forest and Climate Change, Central Pollution Control Board and the concerned State Pollution Control Boards to ensure that environmental safeguards do not suffer due to inter-Ministry and inter-Agency wrangles or duplication of functions and that environmental safety is not compromised in anyway. While appreciating the efforts made in respect of Paradip PCPIR and Visakhapatnam-Kakinada PCPIR, the Committee recommend that synergic efforts should be made to settle the issue of environmental clearance in a time bound manner. The Committee also recommend that the Department must ensure that the Tamil Nadu PCPIR should not lag behind on this crucial issue.

- (c) For addressing any event of disaster or natural calamity occurring in any of the PCPIR zones, the Committee further recommend that the Department and the investing companies should prepare a Disaster Management plan as part of the Master Plan. There should be a rigorous oversight mechanism in the Master Plan so that public health and marine life is not endangered at the time of disasters. The need for a good disaster management plan is highlighted by the "Thane" cyclone that hit the Tamil Nadu PCPIR in 2011 which sets back the PCPIR project by about five years now. Since the PCPIRs are situated in the coastal areas, they are susceptible to cyclones, floods, tsunami, etc. The Committee desire the Department to take expeditious necessary measures in this regard and establish the Disaster Management Plan as part of the Master Plan. Further, the Committee desire that the detailed plan, including the

composition and power, for the National Chemical Safety Board, which is an institution to be set up for the purpose as part of the proposed National Chemical Policy may be finalized at the earliest. The Committee would like to be apprised of the action taken in this regard.

#### **OBSERVATION/RECOMMENDATION NO. 5**

##### **Implementation**

##### **Gujarat PCPIR:**

The Committee noted that regarding Dahej PCPIR in Gujarat, the Development Plan or Master Plan of Dahej PCPIR has been sanctioned in September, 2012 and town planning schemes are being implemented. Environmental clearances are at their final stages. Processes of rehabilitation and compensation of the affected people are going well. The Committee hope that all components of the project of Dahej PCPIR will be completed soon and recommend that the Department should coordinate with the State Government and the anchor tenant so that the PCPIR may be completed as per schedule.

##### **Odisha PCPIR:**

As for the Paradip PCPIR in Odisha, the Committee observed that commissioning of the refinery at Paradip has started and Polypropylene plant will be commissioned in 2017. According to the Department, one problem encountered is that Naphtha is not available for cracking and no commitment to set up Naphtha cracker can be made at present. In future gas and other options may be explored. Currently there is no availability of Natural Gas in Paradip. The Indian Oil Corporation Ltd (IOCL) which is the Anchor Tenant in Paradip is making modifications to make propylene from the Fluidized Catalytic Cracking (FCC) unit which will be converted into Polypropylene and can be utilized in the proposed Plastic Park in the same PCPIR location. The Department further stated that the Ministry of Petroleum and Natural Gas, had informed that currently IOCL is having difficulty in putting up of Naphtha cracker at Paradip.

In light of the above, the Committee recommend that the Department should sort out the problems relating to feedstock non-availability at Paradip PCPIR in coordination with the Anchor Tenant and the State Government at the earliest. The Committee are concerned that problems such as stated above were not recognized earlier by the Department. Given the huge importance of the project for the overall development of the Paradip region, it is essential that all problems are sorted out and

the project commissioned as per schedule. The Committee desire to be apprised of the measures taken in this regard.

**Andhra Pradesh PCPIR:**

The Committee are distressed and displeased to note that the Andhra Pradesh PCPIR, which was approved in February 2009 is not progressing well. The Department has informed that the Anchor Tenant, Hindustan Petroleum Corporation Ltd (HPCL)'s greenfield project to establish a refinery could not materialize due to lack of feasibility and that they are in the process of taking up the feasibility study for establishing petrochemical complex without a refinery. The Department stated that feasibility study for anchor unit is expected to be completed by June 2016 and then it would be placed before the Board of HPCL and Gas Authority of India Ltd (GAIL) for approval. After approval, HPCL has informed that the construction of Anchor unit will take four years from commencement of the work.

The Committee are of the opinion that the Department had not put in concrete efforts to accelerate the process. Since the Anchor client is not finalized, the rest of the process, viz. master plan, environmental study, public hearing, etc. cannot be concluded.

The Committee therefore strongly recommend that the Central Government should take immediate steps to promote the project as it is meant to lead to the development of the region and give employment to lakhs of people. The Committee desire that the Department should monitor the progress of the project constantly and ensure that the feasibility study of the anchor unit is completed by 2016 without any further time and cost overruns.

**Tamil Nadu PCPIR:**

The Committee are distressed to note that not much progress have been made with regard to Tamil Nadu PCPIR which was approved way back in July 2012. The Department has informed that the construction works of the project were disrupted by "Thane" cyclone in December 2011. Only preservation work is going on since then. Restart of the construction work of NOCL's refinery is expected only in early 2016. The Phase-1 of the project is to be commissioned in 2017-18 and Phase-2 which has the full capacity of 12 million tonnes per year is to be commissioned in 2019. As of now, the PCPIR area has not been notified and the PCPIR Management Board is yet to be constituted. Further, the Master Plan is yet to be prepared and the Environmental Impact Assessment is yet to be undertaken.

The Committee therefore desire that the Department should actively coordinate with the State Government of Tamil Nadu and the anchor tenant, viz. Nagarjuna Oil Corporation Ltd (NOCL) so that the project is commissioned as scheduled by 2017-18. Further, given that the onus of notifying the PCPIR area, constitution of the PCPIR Management Board, etc. lies with the State Government, the Department should proactively pursue the matter with the State Government so that no further delay occurs.

**Concluding remarks:**

The Committee observe from the status of implementation of all the four PCPIRs mentioned in the preceding paragraphs that the level of progress for the four PCPIRs is quite uneven. There are problems and challenges specific to the location, etc. However, a proper coordination by the Department through a strong oversight mechanism at the Centre and State level will accelerate the progress of all the PCPIRs. The Committee desire that the Department may take necessary measures toward this end.

**OBSERVATION/RECOMMENDATION NO. 6**

**Feedstock for Downstream Companies for PCPIRs**

The Committee were given to understand that the anchor tenants of the PCPIR projects, or the refineries, are willing to give only the granules, or *dana* in the market, but they are not willing to give the feedstock in liquid and gaseous form, saying that doing so will lead to losses for them. On the other hand, the Department has informed that the downstream industry is dependent on feedstock that is gaseous and liquid in form. If the downstream industries are not provided with the feedstock in gaseous and liquid form, no downstream industry can ever come up. This is a critical issue involving two ministries, viz. the Ministry of Chemicals and Fertilizers and the Ministry of Petroleum and Natural Gas. The Department has stated that it is presently seized with the matter and that discussions have already been initiated to resolve the issue with the Ministry of Petroleum and Natural Gas.

The Committee are distressed that this problem was realized at this late stage and not earlier when Anchor Tenants were selected. In light of the above, the Committee recommend that the Department should take up immediate steps to resolve the problem at the earliest so as to enable PCPIR projects or refineries to provide feedstock to downstream industries as per their requirements. The proposal to obtain feedstock from outside India to offset domestic scarcity should be expedited. Meanwhile, other issues like rates of import duty, etc. should be examined

and decisions taken in consultation with all the stakeholders. Measures taken in this regard may be intimated to the Committee at the earliest.

#### **OBSERVATION/RECOMMENDATION NO. 7**

##### **Employment**

The Committee observed that the PCPIR projects are the most ambitious projects ever undertaken under the aegis of the Department of Chemicals and Petrochemicals. They involve monetary investments in terms of thousands of crores of rupees. The four PCPIR projects already approved, viz. Gujarat, Andhra Pradesh, Odisha and Tamil Nadu are together envisaged to provide direct and indirect employment opportunities to 33,96,000 people. Therefore, the success of these projects is of vital importance for the country's development as a whole.

As per the Department, till now, 1,28,000 people have found employment (both direct and indirect) in the Gujarat PCPIR, 37,960 people in Odisha PCPIR, 29,420 in Andhra Pradesh PCPIR and 13,950 people in Tamil Nadu PCPIR. The Committee is given to understand that on completion, the Dahej PCPIR will give employment to 8 lakh people. While appreciating the progress made in the Gujarat PCPIR, the Committee hope that other PCPIR would also generate employment on the lines of Gujarat PCPIR.

In this regard, the Committee desire that local people be given preference for employment in all the PCPIR projects. In areas where technical knowledge is required, the Department may undertake skills training programmes in coordination with the State Government and Anchor Tenants as done in Dahej PCPIR. Action taken in this regard may be communicated to the Committee at the earliest.

#### **OBSERVATION/RECOMMENDATION NO. 8**

##### **Compensation and Welfare**

The Committee are pleased to observe that displacement of people is at the minimal level in some PCPIR projects as the project can co-exist with existing settlements. As for Paradip PCPIR, the Department had informed that the displacement anticipated during the land acquisition in the area for Phase- I of the Processing Area would be around 105 families. The actual displacement details shall be ascertained after detail socio-economic survey of the area is made.

In this regard, the Committee desire that the actual displacement details of people affected by all the PCPIR projects be ascertained at the earliest and adequate compensation and rehabilitation accorded to them. The Committee express their

satisfaction over the fact that land aggregation policy and welfare measures adopted by Gujarat Industrial Development Corporation (GIDC) had been quite successful with minimum number of complaints and 90 percent of land was acquired through consent procedure. The Committee therefore recommend that the successful model of rehabilitation and compensation followed in the case of Dahej PCPIR be replicated as far as possible in all the remaining PCPIRs. Action taken in this regard may be communicated to the Committee at the earliest.

#### **OBSERVATION/RECOMMENDATION NO. 9**

##### **Review of policy on PCPIRs**

The Committee noted that the Government is proposing a review of the PCPIR policy. One idea is to reduce the size of PCPIRs from the existing 250 sq. Kms to 50 square kilometres depending upon the utility area. Second, there should be a single window clearance where all the statutory authorities should have participation both from the Government of India, State Governments and the local Governments. That will allow industrialists to take clearance only from one body. The Department has informed that on both these issues, the Committee of Secretaries has already agreed to the proposal.

In this regard, the Committee are of the opinion that the prescribed size of the PCPIR area need to be made flexible. If the prescribed size of the PCPIRs is reduced to 50 sq. kms, the size of investments required and infrastructural needs will also accordingly come down and that will allow smaller companies also to take part. More States may also be able to join the concept. The Committee desire that the Department may take proactive action to finalize and implement these measures.

Regarding the proposal for Single Window Clearance, the Committee are sceptical about the feasibility of the idea as PCPIRs encompass such a huge variety of issues ranging from environmental clearances, feedstock issues, infrastructure, marketing, etc. However, the Committee desire that the Department may explore various options toward this end on priority. Decisions taken in this regard may be communicated to the Committee at the earliest.

#### **OBSERVATION/RECOMMENDATION NO 10**

##### **Promotional Activities**

The Committee observe that for the promotion of PCPIRs there should be enough publicity so that more investors specially the private firms are interested to invest in the PCPIR. The Department in this regard stated that PCPIRs are being

marketed and publicised both at the domestic and international level along with the State Governments, Anchor tenants and industrial bodies through industry interactions, road shows, exhibitions, seminars, conferences etc. The Committee also note that the Department and other agencies are taking steps to promote PCPIRs on large scale through Newspaper Advertisements, Presentations, brochures and other marketing material.

However, while Dahej PCPIR, Gujarat and Paradip PCPIR, Odisha have organized various promotional activities and road-shows to market and promote PCPIRs, there seems to be no such specific promotional activities taken up by the Visakhapatnam-kakinada PCPIR, Andhra Pradesh and Cuddalore-Nagapattinam PCPIR, Tamil Nadu.

The Committee, therefore, recommend that the Department and the state Governments should step up the promotional activities and also more innovative measures should be taken up to promote PCPIRs projects to attract more investors from international and local industrial firms. The Department should pay special attention to Andhra Pradesh and Tamil Nadu PCPIRs in this regard so that there is no laxity on their part to promote the PCPIRs.

The Committee would like to be informed about the steps taken in this regard.

**MINUTES OF THE SIXTH SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2012-13)**

The Committee sat on Friday, the 30 January, 2013 from 1500 hrs. to 1650 hrs. in Room No.G-074, Parliament Library Building, New Delhi.

**PRESENT**

**Shri Dilipbhai Pandya - In the Chair  
Members**

**LOK SABHA**

2. Shri S. Alagiri
3. Shri P.P. Chauhan
4. Shri Sher Singh Ghubaya
5. Shri Sk. Nurul Islam
6. Shri Sakti Mohan Malik
7. Shri Tufani Saroj

**RAJYA SABHA**

8. Shrimati Naznin Faruque
9. Shri A.A. Jinnah
10. Shri Brijlal Khabri

**SECRETARIAT**

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

**WITNESSES**

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

1.	Sh. Indrajit Pal	Secretary
2.	Smt. Neelkamal Darbari	Joint Secretary
3.	Sh. A.J.V. Prasad	Joint Secretary
4.	Smt. Geeta Menon	Director

**II. REPRESENTATIVES FROM STATE PUBLIC SECTOR UNDERTAKINGS**

1.	Dr. Sreedhar Cherukuri	Executive Director, Andhra Pradesh Industrial Infrastructure Corporation (APIIC), Andhra Pradesh
2.	Sh. Vishal K. Dev	CMD, Industrial Infrastructure Development Corporation (IDCO), Orissa.
3.	Sh. Sameer Vakil	Executive Director, Gujarat Industrial Development Corporation (GIDC), Gujarat.
4.	Sh. T.Willington	Director (Projects), Tamil Nadu Industrial Development Corporation (TIDCO), Government of Tamil Nadu

2. In the absence of the Chairman the Committee chose Shri Dilipbhai Pandya, MP and a member of the Committee, to act as the Chairman for the sitting in terms of Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Acting Chairman welcomed the members of the Committee. Thereafter, the officials of the Ministry of Chemicals & Fertilizers (Department of Chemicals and Petrochemicals) and Public Sector Undertakings (PSUs) of States were called in and their attention was invited to the provisions contained in Direction 55(1) of the Directions by the Speaker regarding confidentiality of the Committee's proceedings. Then the officials of the Department and others introduced themselves.

4. With the permission of the Acting Chairman, power point presentations were made by CMD, Industrial Infrastructure Development Corporation (IDCO), Orissa; Executive Director, Gujarat Industrial Development Corporation (GIDC), Gujarat; Director (Projects), Tamil Nadu Industrial Development Corporation (TIDCO), Government of Tamil Nadu and Executive Director, Andhra Pradesh Industrial Infrastructure Corporation (APIIC), Andhra Pradesh, giving status report on PCPIR projects under implementation in Orissa, Gujarat, Tamil Nadu and Andhra Pradesh respectively. Afterwards, members' queries were answered by the Secretary and other officials.

5. After the discussions, the Acting Chairman thanked the Secretary and other officials and asked them to send replies to all remaining queries within a week to the Secretariat.

*The Committee then adjourned.*

**MINUTES OF THE FOURTH SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2015-16)**

The Committee sat on Thursday, the 29 October, 2015 from 1500 hrs. to 1630 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**Present**

**Shri Anandrao Adsul - Chairperson**

**Members**

**Lok Sabha**

2. Shri Idris Ali
3. Smt. Anju Bala
4. Shri B. N. Chandrappa
5. Shri Sankar Prasad Datta
6. Shri R. Dhruvanarayanan
7. Shri K. Ashok Kumar
8. Shri Chhedi Paswan
9. Smt. Kamala Devi Patle
10. Shri S. Rajendran
11. Shri Chandu Lal Sahu
12. Dr. Kulamani Samal
13. Dr. Krishna Pratap Singh
14. Shri Tasleem Uddin
15. Smt. Rekha Arun verma
16. Shri Kotha Prabhakar Reddy
17. Shri George Baker

**Rajya Sabha**

18. Shri K. Parasaran

**Secretariat**

1. Smt. Rashmi Jain - Joint Secretary
2. Shri A. K. Srivastava - Director

**List of Witness**

**Department of Chemicals and Petrochemicals**

1. Shri Surjit Kumar Chaudhary Secretary
2. Shri Avinash Joshi Joint Secretary

**Ministry of Petroleum and Natural Gas**

1. Shri Sandeep Poundrik Joint Secretary

**State Govt./Anchor Tenants**

**GUJARAT**

1. Shri Manoj Agarwal Vice Chairman & MD, GIDC
2. Shri M. M. Jivani Member Secretary, Gujarat PCPIR
3. Shri K. Satyanarayana CEO, ONGC Petro additions Ltd (OPaL), Gujarat.

## **ODISHA**

1. Shri Saswat Pattnaik                      Project Manager, IDCO
2. Shri D. Sen                                      Director, Indian Oil corporation Ltd.

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee and representatives of the Ministry of Chemicals & Fertilizers (Department of Chemicals and Petrochemicals) and other officials to the sitting. Their attention was invited to the provisions contained in Direction 55(1) of the Directions by the Speaker regarding confidentiality of the Committee's proceedings.

3. After the witnesses introduced themselves, the Joint Secretary of the Department of Chemicals and Petrochemicals made power point presentation to the Committee on the subject, "PCPIRs". Thereafter, the Secretary, Department of Chemicals and Petrochemicals and other officials replied to queries raised by the Members relating to the Dahej-PCPIR and Paradip-PCPIR. The major issues discussed relate to, *inter alia*, compensation and rehabilitation for the project-affected people, environmental clearances for the PCPIRs, the need to prioritize employment of the local people, setting up Skills Development Training for local people and the need to expedite the Projects, etc.

4. The Chairperson thanked the witnesses for appearing before the Committee as well as for furnishing valuable information to the Committee.

5. It was also decided in the meeting that next setting of the Committee will be held on 17.11.2015 on the subject 'PCPIR' with special reference to other PCPIRs at Andhra Pradesh & Tamil Nadu.

6. A copy of the verbatim record of the proceedings of the sitting has been kept.

*The Committee then adjourned*

**MINUTES OF THE FIFTH SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2015-16)**

The Committee sat on Tuesday, the 17 November, 2015 from 1500 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**Present**

**Shri Anandrao Adsul - Chairperson**

**Members**

**Lok Sabha**

2. Smt. Anju Bala
3. Shri B. N. Chandrappa
4. Shri Sankar Prasad Datta
5. Shri R. Dhruvanarayanan
6. Shri K. Ashok Kumar
7. Shri Chhedi Paswan
8. Dr. Kulamani Samal
9. Shri Tasleem Uddin
10. Shri Kotha Prabhakar Reddy

**Rajya Sabha**

11. Dr. M. S. Gill
12. Shri Narayan Lal Panchariya
13. Shri K. Parasan
14. Shri Palvai Govardhan Reddy

**Secretariat**

- |    |                       |   |                 |
|----|-----------------------|---|-----------------|
| 1. | Smt. Rashmi Jain      | - | Joint Secretary |
| 2. | Shri A. K. Srivastava | - | Director        |

**List of Witness**

**Department of Chemicals and Petrochemicals**

- |    |                             |                 |
|----|-----------------------------|-----------------|
| 1. | Shri Surjit Kumar Chaudhary | Secretary       |
| 2. | Shri Avinash Joshi          | Joint Secretary |

**State Govt./Anchor Tenants**

**TAMIL NADU**

- |    |                                   |                               |
|----|-----------------------------------|-------------------------------|
| 1. | Shri T. Wellington                | Director (Projects), TIDCO    |
| 2. | Shri S. Ramasundarm<br>Ltd.(NOCL) | MDm Nagarjuna Oil corporation |

**ANDHRA PRADESH**

- |    |                       |   |
|----|-----------------------|---|
| 1. | Dr. T. Babu Rao Naidu | Vice Chairman, Visakhapatnam Urban<br>Development Authority |
|----|-----------------------|---|

- |    |                       |   |
|----|-----------------------|---|
| 2. | Sri Bhavani Shankar   | Joint director, Special Development Authority |
| 3. | Sri Ch. V.V.S. Prasad | Chief Engineer, APIIC, Hyderabad              |
| 4. | Sri T. Viserswara Rao | Deputy General Manager, APIIC, Hyderabad      |

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee and representatives of the Ministry of Chemicals & Fertilizers (Department of Chemicals and Petrochemicals) and other officials to the sitting. Their attention was invited to the provisions contained in Direction 55(1) of the Directions by the Speaker regarding confidentiality of the Committee's proceedings.

3. After the witnesses introduced themselves, the Joint Secretary of the Department of Chemicals and Petrochemicals made power point presentation to the Committee on the subject, "PCPIRs". Thereafter, the Secretary, Department of Chemicals and Petrochemicals and other officials replied to queries raised by the Members relating to the Andhra Pradesh-PCPIR and Tamil Nadu-PCPIR. The major issues discussed relate to, *inter alia*, the delays in implementation of Tamil Nadu - PCPIR due to Cyclone in 2011, the problem due to the huge size of the PCPIRs and the need to be flexible on the issue, the need to prioritize employment of the local people, pollution control measures as a result of chemical discharge in coastal sea water, setting up Skills Development Training for local people and the need to expedite the Projects, etc.

4. The Chairperson thanked the witnesses for appearing before the Committee as well as for furnishing valuable information to the Committee.

5. It was also decided in the meeting that presentation of 04 Action Taken Reports may be made to the House on 27.11.2015.

6. A copy of the verbatim record of the proceedings of the sitting has been kept.

*The Committee then adjourned.*

**MINUTES OF THE SIXTYH SITTING OF THE  
STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2015-16)**

The Committee sat on Tuesday, the 12<sup>th</sup> January, 2016 from 1500 hrs. to 1545 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

**Present**

**Shri Anandrao Adsul - Chairperson**

**Members**

**Lok Sabha**

2. Smt. Anju Bala
3. Shri Sankar Prasad Datta
4. Shri K. Ashok Kumar
5. Shri Chhedi Paswan
6. Dr. Kulamani Samal
7. Dr. Uma Saren
8. Shri Tasleem Uddin
9. Smt. Rekha Arun Verma
10. Shri Innocent
12. Shri George Baker

**Rajya Sabha**

13. Shri Narayan Lal Panchariya
14. Shri K. Parasaran
15. Dr. Sanjay Sinh
16. Shri Mansukh L. Mandaviya

**Secretariat**

- |    |                      |   |                 |
|----|----------------------|---|-----------------|
| 1. | Smt. Rashmi Jain     | - | Joint Secretary |
| 2. | Shri A.K. Srivastava | - | Director        |

2. At the outset, the Hon'ble Chairperson welcomed the members of the Committee.
3. The Committee thereafter took up for consideration the Report on the subject 'Petroleum Chemicals and Petrochemicals Investment Regions (PCPIRs)' of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals).
4. The Draft Report Action Taken Report relating to the Department of Chemicals and Petrochemicals was adopted by the Committee without any changes.
5. The Committee authorised the Chairperson to make consequential changes, if any, arising out of the factual verification of the Action Taken Report by the Department of Chemicals and Petrochemicals of the Ministry of Chemicals and Fertilizers.
6. The Committee then decided to hold its next meetings on 27th and 28th January, 2016 in connection with examination of the subject 'Functioning and Autonomous Institution-Central Institute of Plastic Engineering Technology (CIPET)' and Institute of Pesticides Formulation and Technology (IPFT).

*The Committee then adjourned.*