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**STANDING COMMITTEE ON
CHEMICALS & FERTILIZERS**

(2021-22)

(SEVENTEENTH LOK SABHA)

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

DEMANDS FOR GRANTS

(2022-23)

THIRTY-THIRD REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2022/ Phalguna, 1943 (Saka)

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

**DEMANDS FOR GRANTS
(2022-23)**

Presented to Lok Sabha on 21 March, 2022

Laid in Rajya Sabha on 21 March, 2022



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2022/ Phalguna, 1943 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS

(2021-22)

Smt. Kanimozhi Karunanidhi - Chairperson

MEMBERS

LOK SABHA

2. Shri Dibyendu Adhikari
3. Maulana Badruddin Ajmal
4. Shri Deepak Baij
5. Shri Ramakant Bhargava
6. Shri Prataprao Patil Chikhalikar
7. Shri Rajeshbhai Naranbhai Chudasama
8. Shri Sanjay Shamrao Dhotre
9. Shri Ramesh Chandappa Jigajinagi
10. Shri Kripanath Mallah
11. Shri Vasava Parbhubhai Nagarbhai
12. Shri Satyadev Pachauri
13. Smt Aparupa Poddar (Afrin Ali)
14. Dr. M.K.Vishnu Prasad
15. Shri Arun Kumar Sagar
16. Shri M. Selvaraj
17. Dr. Sanjeev Kumar Singari
18. Shri Atul Kumar Singh
19. Shri Pradeep Kumar Singh
20. Shri Uday Pratap Singh
21. Shri Indra Hang Subba

RAJYA SABHA

22. Shri Ayodhya Rami Reddy Alla
23. Shri G.C.Chandrashekhar
24. Dr. Anil Jain
25. Shri M.V. Shreyams Kumar
26. Shri Jaiprakash Nishad
27. Shri Anthiyur P. Selvarasu
28. Shri Arun Singh
29. Shri Vijay Pal Singh Tomar
30. Shri K. Vanlalvena
31. Vacant

SECRETARIAT

1. Shri Vinod Kumar Tripathi : Joint Secretary
2. Shri N.K. Jha : Director
3. Shri Kulvinder Singh : Deputy Secretary

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals & Fertilizers (2021-22) having been authorized by the Committee do present on their behalf this - Thirty third Report on 'Demands for Grants (2022-23)' of the Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals).

2. The Committee considered the Demands for Grants (2022-23) of the Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) which were laid on the Table of the House on 08 February, 2022. After obtaining the Budget Documents, Explanatory Notes, etc., the Committee took evidence of the representatives of the Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) on 24th February, 2022. The Committee considered and adopted the Report at their sitting held on 16th March, 2022.

3. The Committee wish to express their thanks to the officers of the Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) for tendering oral evidence and placing before them the detailed written notes and post evidence information as desired by the Committee in connection with the examination of the Demands for Grants.

4. For ease of reference, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
16 March, 2022
25 Phalguna, 1943 (Saka)

KANIMOZHI KARUNANIDHI
Chairperson,
Standing Committee on
Chemicals and Fertilizers.

REPORT

CHAPTER I

I. INTRODUCTORY

1.1 The Chemical and Petrochemical sector is one of the most vital and driving engines for the growth of the economy. The origin of Indian petrochemical industry was about 70 years ago, with the first production of organic chemical compounds from propane obtained during refining of crude oil. Before independence, the sector was mainly concentrated in Eastern India but now expanded to Gujarat and Maharashtra also due to availability of better infrastructure and port facilities. The roots of chemical industry were initially in West Bengal and factories were installed for Jute packaging, Textiles, and steel industry. M/s Bengal Chemicals, Kolkata and FCI, Sindri were amongst the first factories of independent India. The Indian petrochemical sector is in developing phase and has been recording a steady growth in the overall industrial scenario. Currently, India ranks sixth globally and fourth in Asia in terms of global sale of chemicals.

1.2 The Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals (DCPC)) aims to formulate and implement policy and programmes for achieving growth and development of the chemical and petrochemical sectors in the country and to foster the spirit of public-private partnership for overall development of this sector of the industry.

The Department has the mandate to deal with the following broad subject matters:

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

1.3 The Department has five major divisions viz. Chemical, Petrochemical, Administration, Statistics & Monitoring (S&M) and Economic Division. The Integrated

Finance Division is common to the three Departments in the Ministry of Chemicals and Fertilizer

1.4 There are three Central Public Sector Undertakings (CPSUs) in the chemical sector namely Hindustan Organic Chemicals Ltd. (HOCL), HIL (India) Limited and Hindustan Fluorocarbons Limited (HFL), which is a subsidiary of HOCL. Two autonomous institutes namely Central Institute of Petrochemicals Engineering & Technology (CIPET) and Institute of Pesticides Formulation Technology (IPFT) functions under this Department.

1.5 The detailed Demands for Grants (2022-23) of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) were presented to the Lok Sabha on 8th February, 2022. Budget Estimate (BE) for the Demand No. 5 pertaining to the Department of Chemicals and Petrochemicals is RS. 271.27 Crore. The Committee have examined in-depth the detailed Demands for Grants of the Department for the year 2022-23. The Observations/Recommendations of the Committee have been given in a separate chapter at the end of the Report. The Committee expect the Department to take all necessary steps for proper and timely utilization of funds ensuring completion of the various plans and projects in a time bound manner. The Committee also expect the Department to act on the recommendations of the Committee expeditiously and furnish action taken replies to the observations/recommendations made in the Report within three months from the date of presentation of this Report.

CHAPTER -II

OVERALL FINANCIAL OUTLAYS AND PERFORMANCE PROPOSED AND APPROVED ALLOCATIONS FOR 2022-23

2.1 The Department presented their detailed Demands for Grants (Demand No. 5) for the financial year 2022-23 to Parliament on 08 th February, 2022. The BE of the Department for the financial year is ₹ 209.00 Crore. The details are as under:

(₹ In Crore)

Expenditure Head	Budget Estimate
<u>Revenue</u>	₹ 207.67
<u>Capital</u>	1.33
Total	209.00

As would be seen from above, the Department have been allocated ₹ 209.00 Crore for the year 2022-23. To recall, the major schemes which are being implemented by the Department are (i) New Schemes of Petrochemicals (NSP) and (ii) Chemical Promotion and Development Scheme (CPDS).

2.2 The Committee desired to know the details of the proposed amount for each scheme for the year 2022-23 and the amount actually approved by the Ministry of Finance. In response, the Ministry furnished the following detailed information in a tabular form:

(₹ in Crore)

Sl.No.	Schemes/Organisation	BE 2022-23		Shortfall
		Proposed	Allocated	
1.	Secretariat	21.35	21.35	0.00
2.	Schemes			
	NSP	102.27	48.50	53.77
	CPDS	6.00	3.00	3.00
	Total	108.27	51.50	56.77
3.	Autonomous Bodies			
	CIPET	101.37	100.24	1.13
	IPFT	17.20	11.50	5.70
	Total	118.57	111.74	6.83
4.	BGLD	23.08	23.08	0.00
	Total Revenue	271.27	209.00	
5.	PSUs(HFL)			
	Capital	0.00	1.33	-1.33
	Total (Revenue + Capital)	271.27	209.00	62.27

2.3 On being asked about the reasons for drastic cut by the Ministry of Finance from the proposed BE of ₹ 271.27 Crore to ₹ 209.00 Crore, the Ministry submitted that the proposals for RE 2021-22 and BE 2022-23 were taken up by the Department with the Ministry of Finance during the Pre-budget Meeting held with the Secretary (Expenditure) in November 2021. After deliberating various issues involved in the matter viz. overall expenditure incurred by the Department, and taking into account the overall resources available with the Government and its priorities, Ministry of Finance agreed to allocate ₹ 209.00 Crore each for RE 2021-22 and BE 2022-23 subject to interchange of the overall amount. After taking a review of its schemes/ programmes, the Department decided to allocate ₹ 209.00 Crore for both the FYs 2021-22 and 2022-23.

2.4 The Committee then desired to be apprised of the impact it would have on the schemes being implemented by the Department and steps proposed/ initiated to get adequate funds. In reply, the Department submitted that the prime shortfalls in budget proposed viz-a-viz budget allotted include, ₹ 53.77 Crore under 'NSP'; ₹ 5.70 Crore under 'IPFT'; ₹ 3.00 Crore under 'CPDS' and a minor reduction of ₹ 1.13 Crore under CIPET which is not likely severely hamper the schemes of CIPET.

2.5 Asked to state the rationale for allocating ₹ 209.00 Crore for the year 2022-23 when the Actual expenditure during the year 2019-20 and 2020-21 were ₹ 365.10 Crore and ₹ 293.04 Crore. It was replied that during 2019-20, the Assam Gas Cracker Project (AGCP) was a part of the Department which was subsequently transferred to M/o Petroleum & Natural Gas w.e.f.01.01.2020 to which a major portion of Budget allocation of FY 2019-20 was allocated (₹ 185.00 Crore at RE 2019-20 stage). After transfer of AGCP, the Department had sought only a token amount of ₹ 1.00 lakh in BE 2020-21. Therefore, during 2020-21, only an amount of ₹ 293.04 Crore could be utilized against the budgetary allocation of ₹ 295.70 Crore in FY 2020-21.

CHAPTER - III

BUDGETARY ALLOCATION & UTILIZATION DURING 2019-20, 2020-21 AND 2021-22

3.1 As regards the Budget Estimate (BE) & Revised Estimate (RE) for 2019-20, 2020-21 and 2021-22 and the Actual utilisation thereof, the following information was furnished to the Committee:

(₹ in Crore)			
Year	BE	RE	Actual Expenditure
2019-20	263.65	370.18	365.10
2020-21	218.34	295.70	293.04
2021-22	233.14	209.00	158.00 (As on 31.12.2021)
2022-23	271.27 (allocated ₹ 209.00)		

It may be seen that the BE for 2020-21 was ₹ 218.34 Crore which was revised upward to ₹ 295.70 Crore but the expenditure was ₹ 293.04 Crore only. On being asked to give reasons for non-utilization of ₹ 2.76 Crore the Ministry in a written note submitted the reason for non-utilization of ₹ 2.76 Crore was mainly due to BGLD cost centre. Due to nation-wide lockdown on account of Covid-19 pandemic, BGLD (Bhopal Gas Leak Disaster) could not spend the allocated funds and an amount of ₹ 2.4666 Crore was surrendered by the Department to M/o Finance.

3.2 It may also be seen that the BE for 2021-22 was ₹ 233.14 Crore but was reduced downwards to ₹ 209.00 Crore and the actual expenditure was ₹ 158.00 Crore as on 31.12.2021. When asked whether the Ministry would be able to utilize the remaining amount of ₹ 57.00 Crore by 31.03.2022 and the reasons for lower expenditure along with concrete measures being taken to spend the remaining amount by 31.03.2022 the Department submitted that the Budget Division, D/o Economic Affairs (M/o Finance) vide O.M. No.12(13)-B(W&M)/2020 dated 30.06.2021, w.r.t. their O.M. dated 21.08.2017 on modified exchequer control based expenditure management under Cash Management System in Central Government reviewed the existing guidelines for expenditure control and in view of the evolving situation arising out of COVID-19 and anticipated cash position of Government, regulated the Quarterly Expenditure Plan (QEP)/ Monthly Expenditure Plan (MEP) of specific Ministries/ Departments for Quarter (July- September, 2021). The Department of Chemicals & Petrochemicals was put under Category 'B' means the Department was to restrict its overall expenditure within 20% of the BE 2021-22 in Quarter-II. Due to the restrictions imposed by MoF, the Department could not utilise the amount as per proposed QEP/MEP. Further, the remaining amount comes out to be ₹ 51.00 Crore (₹ 209.00-₹

158.00) which is to be spent in IV quarter of FY 2021-22. Proposals by various Divisions have been forwarded to IFD and after concurrence, necessary sanction orders have been released by the Department to utilise the balance funds of ₹ 51.00 Crore.

3.3 Asked to state the reasons for reduction in the BE of ₹ 233.14 Crore to ₹ 209.00 Crore at RE stage and whether this reduction is an indicator of Department's inability to spend resourcefully the budgetary allocation made to it; and if so, measures being taken thereon the Department submitted that the BE-2021-22 of ₹ 233.14 Crore has been reduced to ₹ 209.00 Crore at RE stage which mainly comprises CIPET scheme & BGLD Cost Centre. During BE 2021-22, an amount of ₹ 117.88 Crore was allocated to CIPET which has been subsequently reduced to ₹ 102.34 Crore in RE 2021-22. The main reasons for reduction in allocation to CIPET may be seen below:-

- (i) The matter of allotting land at Jammu and 50% of the project cost for Establishment of CIPET centre at Jammu / Kashmir is still under consideration. Hence no amount is proposed in RE 2021-22 as against ₹ 1.00 Crore requested in BE.
- (ii) A proposal for re-appropriation of the balance amount of ₹ 31.79 Crore for the scheme of "Creation of residential accommodation to augment increase in intake capacity of existing and new academic programmes" in order to utilize the unspent amounts earmarked to some CIPET centres for other centres where the funds are needed is under process and is likely to be approved soon. An amount of ₹ 16.25 Crore has been proposed for the FY 2021-22 (RE stage) as against the request of ₹ 22.18 Crore in BE 2021-22.
- (iii) Approval of Govt. of Maharashtra for shifting of CIPET: CSTS from Mumbai to Nashik and also the financial commitment of the State Govt. for establishment of CIPET Centre at Nashik as per original project with cost variation is awaited. The matter is expected to be concluded soon. Hence no amount is proposed in RE 2021-22 as against ₹ 1.00 Crore requested in BE.
- (iv) The land for establishment of PWMC at Bengaluru Patna and Varanasi were identified and the same is in the process of allotment for the same. The land at Ahmedabad is expected to be identified shortly. Therefore, an amount of ₹ 3.00 Crore only is estimated in RE 2021-22 as against the BE of ₹ 11.60 Crore.

3.4 Besides, a total of ₹ 3.53 Crore has been decreased in RE 2021-22 to BGLD as due to COVID-19, a ceiling of ₹ 20% expenditure to overall BE allocation was imposed by Ministry of Finance in QEP limits of 2nd Quarter of FY 2021-22. Moreover, the Covid-19 situation prevailing in the State and in the city of Bhopal led to less-receipt of the claims.

3.5 In view of above, it may be seen that this reduction is not an indicator of Department's inability to spend resourcefully the budgetary allocation made to it. Further, the concerned Programme Division is taking necessary financial approvals in this regard.

3.6 The Committee desired to know about restrictions on the expenditure imposed on the Department and preparedness of the Department in this regard. In reply the representatives of the Ministry deposed as follows:

“We have got a huge budget in RE. The allocation was ₹ 233.00 Crore which was reduced to ₹ 209.00 Crore. Similarly, the RE is ₹ 209.00 Crore and in the next year also, it is ₹ 209.00 Crore. This year, around ₹ 25.00 Crore is reduced. That is not a big problem because some of our plans had to be deferred. For example, we had planned a CIPET centre at Jammu and Kashmir where we did not get the land. So, the project could not be started. Similarly, we had a plan to set up a CIPET centre in Maharashtra, which could not be started. Likewise, three-four Centres were to be there, which we could not start.

Then, we are also having some of the balance amount of previous year, which is to be re-appropriated with the approval of Department of Expenditure. Due to that, we could not make expenditure this year. So, the reduction was done. But we are not facing any difficulty in managing the things. The only thing is for the next year, where we have asked about ₹ 100 plus Crore in a new scheme of petrochemicals at BE stage. There we have not got the amount, reason being that the new plastic parks which we had planned, have not been finally agreed to by the Department of Expenditure saying that the progress is slow. But we have taken up the matter with the Department of Expenditure saying that ‘now, the progress is there, kindly sanction it.’ So, once they sanction it, we will ask for an additional ₹ 50 Crore at RE stage.”

CHAPTER – IV
SCHEME WISE ANALYSIS

A. New Scheme of Petrochemicals (NSP)

4.1 The Committee have been informed that the New Schemes of Petrochemicals (NSP) has two sub-schemes (i) Plastic Parks, (ii) Centres of Excellence (CoE).

The budgetary provisions of the NSP for the last three years and 2022-23 were stated to be as follows:

(₹ In Crore)

Year	BE	RE	Actuals
2019-20	31.65	31.65	31.65
2020-21	53.79	22.85	22.85
2021-22	53.73	51.13	37.63 (70% of allocated funds as on 31.12.2021)
2022-23	102.73 (allocated 48.50)	-	-

4.2 It may be seen that during 2021-22 the BE of ₹ 53.73 Crore was reduced to ₹ 51.13 Crore at RE stage whereas ₹ 37.63 Crore has been spent as on 31.12.2021. Asked to state reasons for slow pace of spending under the Scheme and Whether the Department will be able to spend the entire RE allocation before 31.03.2022 it was submitted that the pace of spending grant under the scheme is not slow as the Division has spent the amount of ₹ 37.54 Crore till December, 2021 as per the MEP/QEP limits provided by the IFD. It may be noted that the Division has already spent ₹ 42.54 Crore from the allotted R.E. of ₹ 51.13 cr till 31.01.2022 and the Department is hopeful to utilize the entire amount allocated under NSP at the R.E. stage for FY 2021-22.

4.3 Asked to state reasons for proposing higher BE (2022-23) for NSP it was informed that the increase in the B.E. over the allocated B.E. for FY 2021-22 is due to the fact the Department has proposed to accord approval to 5 new Plastic parks till FY 2025-26 at a total budget outlay of ₹ 202.50 cr (₹ 40 cr for each park and ₹ 2.50 cr as Programme Manager fees for each park). The proposal has already been accorded “in-principle” approval by the Hon’ble Minister (C&F) and also approved by the Standing Finance Committee subject to the concurrence of Department of Expenditure.

4.4 When asked about the reasons and adverse affects of the drastic cut in the proposed BE amount of ₹ 102.73 Crore for NSP the Committee in a written reply were informed that out of the total proposed funds for ₹ 102.27 cr, ₹ 66.27 cr were projected for the ongoing projects under the NSP and ₹ 36.00 cr were proposed for new CoEs and new Plastic Parks. Out of the projected funds of ₹ 102.27 cr, only ₹ 48.50 cr has

been allocated under NSP. Hence, if funds are curtailed, it can affect the progress and implementation of the ongoing projects under the scheme and also continuation and expansion of the schemes.

4.5 Asked to state specifically as to how the NSP would be affected due to lesser allocation of funds. It was submitted that the lesser allocation of funds would delay the completion of ongoing projects and new projects under NSP would not be approved which may further hamper aim of the scheme of cluster development of Plastic Industry and employment generations thereof.

4.6 Asked to state whether the proposal of five new Plastic Parks has been concurred by the Ministry of Finance (Department of Expenditure) or not. It was submitted that the proposal of the Department to accord approval to five new Plastic Parks till financial year 2025-26 at a total budget outlay of ₹ 202.50 Crore which includes ₹ 40 Crore for each Park and ₹ 2.50 Crore on Programme Manager fees for each Park has still not been concurred by the DoE.

4.7 On being asked as to how and at what level the Ministry is pursuing the proposal with the Ministry of Finance, it was submitted that the Department has requested DoE for concurrence to its proposal for according approval to five new Plastic Parks till financial year 2025-26 at a total budget outlay of ₹ 202.50 Crore which includes ₹ 40 Crore for each Park and ₹ 2.50 Crore on Programme Manager fees for each Park via OM addressed to the Director, PFC-I, Department of Expenditure, Ministry of Finance.

4.8 When asked about the time by which the proposal is likely to be approved by Ministry of Finance. It was submitted that the Department expects that the Ministry of Finance would provide its concurrence soon.

4.9 Replying to a query of the Committee regarding allocation of funds to NSP the representative of the Ministry stated as follows:

“The only thing is for the next year, where we have asked about ₹ 100 plus Crore in a new scheme of petrochemicals at BE stage. There we have not got the amount, reason being that the new plastic parks which we had planned, have not been finally agreed to by the Department of Expenditure saying that the progress is slow. But we have taken up the matter with the Department of Expenditure saying that ‘now, the progress is there, kindly sanction it.’ So, once they sanction it, we will ask for an additional ₹ 50 Crore at RE stage.”

PHYSICAL TARGETS

4.10 The details of six Plastic Parks along with their location and the date when they were actually conceived/commenced was stated to be as follows:

S.No.	Location of Plastic Park	Final Approval date	Land area (Acre)	Total Project Cost (₹ In Crore)	Total Gol support approved for the project (₹ In Crore)
1.	Tamot, Madhya Pradesh	09.10.2013	122	108.00	40.00
2.	Paradeep, Odisha	09.10.2013	120	106.78	40.00
3.	Tinsukia, Assam	21.02.2014	173	93.65	40.00
4.	Bilaua, Madhya Pradesh	20.12.2018	93	68.72	34.36
5.	Deoghar, Jharkhand	20.12.2018	93	67.33	33.67
6.	Thiruvallur Tamil Nadu*	30-7-2019	257	216.92	40.00

*Date of re approval owing to change of location

The physical and financial progress of each of the six Plastic Parks separately year wise were stated to be as follows:

S.No	Location of Plastic Park	Final Approval date	Total Project Cost (₹ In Croe)	Total Gol support approved for the project (₹ In Crore)	Total Gol support released till date (Jan, 2022)	Physical progress as reported by SPV
1.	Tamot, Madhya Pradesh	09.10.2013	108.00	40.00	35.90	100%
2.	Paradeep, Odisha	09.10.2013	106.78	40.00	36.00	95%
3.	Tinsukia, Assam	21.02.2014	93.65	40.00	29.00	70%
4.	Bilaua, Madhya Pradesh	20.12.2018	68.72	34.36	28.89	55%
5.	Deoghar, Jharkhand	20.12.2018	67.33	33.67	17.94	65%
6.	Thiruvallur Tamil Nadu	30-7-2019*	216.92	40.00	22.00	90%

*Date of re approval owing to change of location

As regards the year wise financial progress of each of the six parks the Committee were informed as follows:

(₹ In Crore)

S. No	Location of Plastic Park	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Tamot, Madhya Pradesh	8.00	NIL	NIL	16.39	6.69	0.80	3.10	NIL	NIL
2.	Paradeep, Odisha	8.00	NIL	NIL	10.22	NIL	10.00	3.62	1.91	NIL
3.	Tinsukia, Assam	8.00	7.50	6.25	NIL	NIL		7.00	NIL	NIL
4.	Bilaua, Madhya Pradesh	NIL	NIL	NIL	NIL	NIL	2.00	8.76	8.12	10.79
5.	Deoghar, Jharkhand	NIL	NIL	NIL	NIL	NIL	2.00	4.73	NIL	11.60
6.	Thiruvallur Tamil Nadu	NIL	NIL	NIL	3.89	4.11	NIL	NIL	NIL	11.24

4.11 Asked to state the reasons for slow pace of development of Plastic Parks, the Committee were informed as following:

- i. **Tamot, Madhya Pradesh Plastic Park:** The physical progress of park is completed and procurement of few equipment of common facility centre (CFC) is in progress.
- ii. **Tinsukia, Assam Plastic Park:** The progress of Assam Plastic Park has been stagnant due to lack of interest from the local entrepreneurs despite repeated attempts and perceptions/ apprehensions in the mind of investors about law and order. Also the frequent rain and flood in the region are a cause of delay. The disturbance caused due to protest in the area and pandemic situation since last one year are also delayed the work. However, work is under progress now and the pace of progress has also picked up and good number of plots were also allotted.
- iii. **Paradeep, Odisha Plastic Parks:** The physical progress of Odisha Plastic Park is almost complete and SPV are putting in all the efforts to allocate the plots to the industries.
- iv. **Thiruvallur, Tamil Nadu, Plastic Park:** The earlier land area was falling under Costal Regulation Zone (CRZ), owing to which the location had to be changed by the State Govt. The approval for new location was accorded in Sept-2019. Now the developmental work is going on as per schedule and is expected to be completed shortly.

- v. **Bilaua, Gwalior, Madhya Pradesh Plastic Park**: The pace of progress of physical infrastructure in park has picked up after the delay caused due to restrictions caused due to COVID and is now in line with the proposed timeline and the project is expected to be completed in this FY 2022-23.
- vi. **Deoghar, Jharkhand Plastic Park**: The work of Plastic Park is in progress and is going on at a rapid pace post the slowdown caused due to COVID pandemic. The development of physical infrastructure is expected to be completed in this FY 2022-23.
- 4.12 When asked whether any ameliorative steps have been taken by the Department in this regard, the details and the positive results the Department replied that the ameliorative steps taken by the Department to ensure monitoring so as to ensure rapid pace of development are as mentioned below:
- The Department constantly pursues with the State Govt's by reviewing the submitted progress reports, holding review meetings and field visits etc. The Scheme Steering Committee (SSC) under the chairmanship of Secretary (C&PC) also reviews the progress of Plastic Parks regularly.
 - The Department supports financially as per scheme guidelines and also monitor progress of Plastic Parks. The Department also guides State Govts for populating their Plastic Park by arranging Road Shows, Investor meets, Participation in events organized by Industry Associations, etc. The Department is also putting in its best efforts by bringing on board the various stakeholders like Industry associations in the field of Plastics at National and State Level etc. in order to populate the parks at an efficient and faster pace.
 - The Department also pursued BCPL for discount on raw material and BCPL is now offering discount of total Rs 1250 per MT on raw material for units establishing in the Tinsukia Plastic Park.
 - The Department is also pursuing State Govt. to allot plots on easy payment instalments to entrepreneurs including lease rent basis.
 - The Department has clarified in a SSC meeting that product having substantial component of plastic may be allowed in the park. This has given positive result in allotment of plots.
 - The Department has also revised the guidelines and included the provision of approving Brownfield Projects and existing Plastic Recycling Units.

Owing to the improved monitoring by the Department, the pace of progress in terms of development of physical infrastructure and also in terms of allotment of plots have picked up. Almost all the Plastic Parks have shown rapid development in recent times.

4.13 During evidence the representative of the Department briefed the Committee about Plastic Parks as follows:

“I would like to give presentation of the schemes that we are monitoring. The name of it is the New Schemes of Petrochemicals. Under this Scheme, the sub-scheme is Plastic Parks. Under this Scheme, the intention is that we have to develop our pocket so that the play and plug model should be available for downstream industries like MSME. Around 50 to 100 acre land is identified and we are developing all the infrastructure there so that the industries can come and put their plants. So far, ten plastic parks have been sanctioned. Final approval has been given for the nine parks..... The total support of the Government of India is up to ₹ 40 Crore or 50 per cent of the project cost, whichever is lesser. Land cost is not included in it..... One plastic park at Gorakhpur is under consideration of the final approval.....

There was a concern raised earlier also about the progress in Plastic Parks. So, we have come up with some good news. for Tamot, hundred per cent infrastructure is ready. In Paradeep also, 95 per cent infrastructure is ready. We were concerned about the slow progress about Tinsukia. In the current financial year, they have picked up and Bilaua is also making progress. There is very good progress in Deoghar and Thiruvallur also.....

Madam, I would like to specially mention that the plots are not being allotted. If you can see, up to last year, only two/three plots were allotted. But in this year, up to January, more than 50 plots have been allotted. ”

4.14 The Committee stated that the Department should rethink about establishment of plastic parks strategy and there is a need to revisit the policy. In reply the representative of the Department stated as follows:

“Sir, the policy was revisited. Earlier there were some difficulties like brownfield projects were not considered in it and only greenfield projects were considered. Earlier, the promoter or the industrialist had to invest money for the land. We have amended these things last year and now we will consider these plastic parks for brownfield also. Then, entrepreneur need not to purchase the land because their capital is blocked there. We have liberalised the scheme as per the request of the industry. Now, they can get the land on lease basis. “

4.15 The Committee pointed out that the Plastic Parks started in Odisha and Assam were lying pending and the reasons for the same. In reply the representative of the Ministry deposed as follows:

“Madam, regarding Paradeep, Odisha, the Common Facility Centre (CFC) is pending. Because units were not coming, the State Government, SPV decided ‘let some units come’. Otherwise the machinery and equipment will become obsolete. So, deliberately, they have not put the machinery and equipment for CFC.

4.16 The Committee then desired to know the precise reasons for the Industry Units not coming forward. It was informed as follows:

“Actually, Madam, since last two years due to Covid, the restrictions were there and the people were not coming forward.”

4.17 The Committee then pointed out that these Plastic Parks were started way back in the year 2013. In reply the representative of the Ministry deposed as follows:

“Yes, it was a slow start, let me admit it, Madam. But now, we are pursuing it very aggressively, and they have given assurance that very soon they are going to complete it.”

4.18 The Committee then enquired about Plastic Park at Tinsukia, and the representative submitted as follows:

“Regarding Tinsukia, the locational disadvantage was there. That is why it was a very slow progress. Now, there is a Steering Committee chaired by Secretary.”

4.19 On being asked about the process of choosing the locations of the Plastic Parks the Committee was informed as follows:

“Sir, basically, the State Government partially selects the land, offers it saying ‘this is the land we are offering you.’.About Tinsukia, it is a very old storey of 2014”

4.20 The Committee then pointed out that it is not necessary for the Department to agree with the offer of the State Governments regarding locations of the Plastic Parks. In reply the representative deposed as follows:

“आपका कहना बिल्कुल सही है, इसीलिए अब हम जितने प्लास्टिक पार्क सैंक्शन कर रहे हैं। रिसेंटली छत्तीसगढ़ में सैंक्शन किया है, यह पिछले पांच साल से पेंडिंग पड़ा था, उन्होंने हमें जो लैंड प्रपोज की, हमने एग्री नहीं किया, लास्ट में तभी एग्री किया जब हमें स्युटेबल लगा। अब हम फूक कर कदम उठा रहे हैं। जब तक हमें सही चीज नहीं मिल जाती, इंडस्ट्री को भी हम दिखाते हैं कि यह लैंड दे रहे हैं, क्या आप इस पर लगाने को तैयार हैं? तभी हम सैंक्शन करते हैं।

4.21 The Committee pointed out that India’s share of world plastic is one per cent and Plastic consumption is growing in India at 16 per cent per annum. Plastic plays a very

significant role in the Indian economy. The Committee, therefore, desired to know as to how much plastic is being recycled in India in order to reduce pollution and for sustainability of the industry. The Committee also desired to know the targets of the Department and its achievement. In reply the representative of the Department stated as follows:

“Sir, it does not come under our purview. Again, the subject of recycling of plastic is related to the Ministry of Environment and Forests. We are the promoters of plastic whereas recycling is looked after by them. That is why, they have notified a draft with regard to extended producer responsibility and all..... Recycling of plastic waste is the responsibility of the industry which is producing it as per the extended producer responsibility notification issued by the Ministry of Environment, Forest and Climate Change.”

4.22 The Committee then observed that Plastic Parks comes under the purview of the Department but the recycling of Plastic does not comes under their purview. In reply the representative of the Department stated as follows:

“We are also promoting that also in plastic parks. If somebody wants to establish a recycling unit in the plastic park, that is under the mandate. They can establish it. But issues pertaining to extended producer responsibility come under the purview of the Ministry of Environment, Forests and Climate Change. ”

4.23 The Committee then desired to know whether there is any coordination between the Departments and the Ministry of Environment, Forest and Climate Change. In reply the representative of the Department stated as follows:

“Yes, Sir. They take input from us. But if somebody wants to establish a recycling unit using the plant waste, that comes under us. ”

4.24 The Representative of the Ministry also briefed the Committee about the Centres of Excellence which is a sub-scheme of NSP as follows:

“This is another sub-scheme of the NSP where you can see that earlier there were five Centres of Excellence during 2011-16 and during 2016-22, eight Centre of Excellence has been sanctioned. Similarly, about the fund utilisation, during 2011-16, ₹28 Crore was utilised but during 2016-22, ₹18.74 has been utilised. It is showing less because, earlier, the total amount which we were sanctioning was ₹6 Crore per Centre of Excellence. Now it has been reduced to ₹5 Crore. Some of the CoEs are under progress and fund utilisation will be there in the coming year.

Madam, the basic purpose of the CoE is to promote research and development in the field of petrochemicals. 13 COEs have been sanctioned. You can see the Central Institute of Petrochemicals Engineering & Technology for manufacturing of next generation biomedical devices. The project is successfully

running. Commercialisation was also taken place. So, we are transferring the technology from laboratory to industry.

As I told, earlier we were giving ₹6 Crore to each CoE. Now, it has been reduced to ₹5 Crore. Of course, we have focused on result-oriented research”

B. Chemical Promotion and Development Scheme (CPDS)

4.25 The Committee have been informed that the CPDS aims to extend soft support in the form of Grant in aid to various organization/industry associations etc. to conduct workshops, seminars, studies etc. to create awareness and dissemination of information for promotion and development of Chemical and Petrochemical industry. The Scheme also aims to incentivise research and innovation by awarding outstanding efforts in the field of Chemical and Petrochemicals.

4.26 On being asked about the criteria being followed by the Ministry to shortlist organizations/industry associations etc. for Grant-in-aid the Ministry informed that as per the CPDS guidelines issued by the Department, grant-in-aid is provided to organizations/industry associations under four different components based on the following criteria:

Component I – Creation of knowledge products: To any Government agency such as Autonomous bodies, PSUs or Government academic institutions

Component II – Knowledge dissemination: Government agencies such as Academic institutions and Autonomous bodies/PSUs under the Department, associations of industry in chemicals and petrochemicals sector, a specialized organization having demonstrated expertise in the field in which proposed event is to be organized

Component III – Excellence Awards: CIPET for organization of Excellence Awards

Component IV – Organize any activity not covered under above components: Eligible organization for executing/sustaining any industry facilitation and support measures, help desk, expenses to organize Advisory Forum and Development Committee meetings, etc.

4.27 On being asked to provide year-wise information about organizations/industry associations etc. which applied for grant of Grant-in-aid and Grant-in-aid granted. The Department replied as under:

S. No.	Financial Year	No. of organization/ industry applied	No. of organization/ industry associations to whom Grant-in-aid provided
1.	2019-20	56	8

2.	2020-21	168	4
3.	2021-22*	26	6

*till 31st January, 2022

4.28 On being asked about National Petrochemicals Awards it was submitted that the awards are given to Incentivise innovations in petrochemicals and downstream plastics processing industry to individuals, industry and academic / research institutions. The details of Winners of Awards and Runners- up was as given below:

Sl. No.	Year	Winners	Runners-Up
1	2010-11	09	00
2	2011-12	15	10
3	2012-13	11	08
4	2013-14	17	06
5	2014-15	16	14
6	2015-16	17	14
7	2016-17	16	07
8	2017-18	07	08
9	2018-19	06	07
10	2019-20	04	09
Total		118	83

4.29 On being asked about pending applications as on date and steps taken to clear the backlog, the Department stated that the proposals received under the CPDS have been processed as per the CPDS guidelines. Those proposals for which grant-in-aid is to be provided are have been kept in abeyance due to pending concurrence of the D/o Expenditure for release of funds. The matter is being followed up with the DoE.

4.30 On being asked about the various schemes/programmes under the CPDS and their resultant impact, the representative of the Department stated that CPDS is a standalone scheme and it has no sub-scheme/programmes. The scheme is meant for promotion and development of chemical and petrochemical sector by providing grant in aid to various organization/industry associations etc. to conduct workshops, seminars,

studies etc. to create awareness and dissemination of information for promotion and development of chemical and petrochemical industry. The Scheme also aims to incentivise research and innovation by awarding outstanding efforts in the field of Chemical and Petrochemicals. A total of 9120 business visitors, stakeholders, farmers, etc. participated in the various conferences, workshops, training programmes organized under CPDS during 2020-21. During 2021-22, approx. 2000 participants have participated in the various events organized under the scheme so far.

4.31 As regards the applications received and rejected for grant-in-aid the Committee noted that during the year 2019-20, 56 number of Organizations applied for the grant-in-aid under CPDS but only 8 Organizations were provided the grants. Similarly during 2020-21 168 applied but only 4 were provided the grants. Further, during 2021-22, 26 applied but only 6 were provided the grants. The committee, therefore, desired to know the reasons for rejection of applications. In reply the representative of the Ministry deposed as follows:

“Regarding rejection of applications for CPDS, there are certain guidelines. If somebody is applying and not meeting the criteria, that has to be rejected. For example, a firm or a company, which is not registered, whose credentials are not established, may also be applying. That is why, if they are not coming under the scheme, they have to be rejected.....”

4.32 On being asked about steps taken if any to make the organization/associations aware about the objectives of the CPDS to ensure that proposals received in future are in consonance with the objectives of CPDS. The Ministry informed that the guidelines of the scheme are available in the public domain on the website of the Department. In the starting of the FY, main industry associations/organizations having expertise in chemical and petrochemical sector are requested to submit the calendar of proposed events to be organised during the Financial Year. The proposals which were found to be in consonance with the objectives of the scheme, were provided financial support as per the provisions of the CPDS guidelines during the FY 2021-22.

4.33 Asked to state the outlays & financial achievements for the last three years of the CPDS the Committee were informed as under:

Scheme	Year	Outlay (₹ in Crore)		
		Budget Estimates	Revised Estimates	Actual Expenditure
Chemical Promotion & Development Scheme (CPDS)	2019-20	3.00	3.00	2.93
	2020-21	3.50	2.80	2.80
	2021-22	3.00	3.60	1.76 (up to 31 st December 2021)
	2022-23	3.00 (proposed)		

		amount was ₹ 6.0 Crore)		
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4.34 The BE and RE (2019-20) for CPDS was ₹ 3.00 Crore, however, the BE (2020-21) was revised upwards to ₹ 3.50 Crore & then reduced subsequently to ₹ 2.80 Crore but a higher BE, 2021-22 of ₹ 3.00 Crore was fixed and revised upward to ₹ 3.60 Crore at RE stage and the actual expenditure upto 31.12.2022 was just 48.8% of the RE. However the BE (2022-23) has been reduced to ₹ 3.00 Crore as compared to the RE 2021-22 which was ₹ 3.60 Crore. Asked to state reasons for the same and also whether the Department would be able to utilize the remaining 52% of the RE of ₹ 3.60 Crore during the current financial year. The Department stated that looking at the trend of proposals received during 2019-20, the budget for the scheme was revised upwards to ₹3.50 Crore during 2020-21. However, in the backdrop of Covid-19 and the restrictions imposed by the Government, lesser number of proposals were received from industry associations and organizations. Keeping in view, the budget was reduced to ₹2.80 Crore during RE 2020-21. Following the trend, a budget of ₹3.00 Crore was allocated during BE 2021-22. As higher number of proposals were received during the current FY, therefore the amount was increased to ₹3.60 Crore during RE, 2021-22. Till 10th February, 2022 a sum of ₹1.76 Crore has been released. The proposals to the tune of ₹1.83 Crore are under process.

4.35 The proposed BE for CPDS was ₹ 6.00 Crore for 2022-23 but only ₹ 3.00 Crore have been allocated. Asked to state as to how CPDS would be affected due to drastic reduction in allocation of the funds and whether the Ministry has taken the matter with the Ministry of Finance. The Department informed that keeping in view the trend of the proposal received during 2020-21 and 2021-22, it is expected that higher number of proposals will be received during 2022-23. Hence, an higher amount of ₹6.00 Crore was demanded for 2022-23. However, an amount of ₹3.00 Crore has been allocated. It is pertinent to mention that Department of Expenditure (DoE) has not agreed for continuation of the scheme in its present form. Thereafter, a proposal for a “New Scheme for Promotion and Development of Chemicals” has been submitted by this Department to DoE with increased budget outlay of ₹57.60 Crore over the period of 5 year. The approval of DoE is still awaited for the “New Scheme for Promotion and Development of Chemicals”.

PHYSICAL TARGETS

4.36 The Committee were informed that during the year 2020-21 against the target to organize 15 workshops/seminars/conference for promotion of Indian Chemical Industry 27 programmes were organized. Similarly for the year 2021-22 against the target to organize 19 workshops 21 were organized upto 31.12.2021. Thus 180% of the targets for the year 2020-21 and 152% of the targets for the year 2021-22 were achieved. On being asked as to how the Department has been able to achieve it in the allocated RE for the respective years. The Ministry stated that a target to organize 15

workshops/seminars/conference was set for 2020-21. However, proposal for organizing 23 training programmes for farmers on safe and judicious use of pesticides was received from HIL (India) Ltd. The trainings were organized at different locations in the country. Each training programme was provided financial assistance of ₹5.00 lakh. Thus, 27 programmes were organized during 2020-21 against the target of 15 programmes. Similarly, during 2021-22 HIL (India) Ltd. has organized 14 training programmes and CIPET has organized 10 workshops on implementation of Plastic Waste Management (PWM) Rules, 2021 Amendment in MSME units. Thus, a total of 30 programmes have been organized so far against the target of 19 programmes.

4.37 The Committee were further informed that the continuation of CPDS has been considered by M/o Finance (MoF) and they have advised to either merge the scheme with some other scheme or to bring it under some umbrella scheme. The Department has considered the views of the MoF and accordingly, moved a proposal for restructuring the Scheme. The revised scheme viz "New Scheme for Promotion and Development of Chemicals" with a proposed outlay of ₹57.60 Crore for 5 years (2021-22 to 2025-26) has already been submitted to Ministry of Finance for their 'in-principle' approval.

4.38 Asked to state about the present status of the proposal for restructuring the CPDS it was submitted that the "in-principal" approval of DoE is awaited.

4.39 On being asked about the salient features of the New Scheme for Promotion and Development of Chemicals its components and how the proposed budget of ₹ 57.60 Crore for five years [FY 2021-22 to 2025-26) is likely to be spent for those components? The Department informed that the Scheme aims to extend soft support in the form of Grant-in-aid to various organizations/industry associations, etc. to conduct workshops, seminars, studies, etc. to create awareness and dissemination of information for promotion and development of chemical and petrochemical industry. The Scheme also aims to incentivize research and innovation by awarding outstanding efforts in the field of chemical and petrochemicals. The proposed scheme will have four components viz (i) Creation of knowledge products, (ii) Knowledge dissemination, (iii) Excellence Award, (iii) Organize any activity not covered under above components.

4.40 The proposed expenditure for 2022-23 under four components was stated to be as under:

Component	Type of event	Amount (₹ in Crore)
Creation of knowledge products and knowledge dissemination	Seminar/ conference/ training/ study	4.50
	For generating data for hazard assessment and risk characterization of the molecules	4.00

	which are getting off patent	
Excellence Awards in chemical and petrochemical sector	National Petrochemicals Awards	1.10
	National Chemical Awards	0.50
Organize any activity not covered under above components	Research and Development in chemical and petrochemical sector	0.50
Total		10.60

4.41 The proposed budget outlay for the new scheme for next 5 years was stated to be as under:

Sl. No.	Financial Year	Proposed outlay(₹ in Crore)
1	2021-22	10.60
2	2022-23	11.00
3	2023-24	11.50
4	2024-25	12.00
5	2025-26	12.50
Total		57.60

4.42 Elaborating the issue the representative of the Department deposed before the Committee in evidence as follows:

“Another scheme is Chemical Promotion and Development Scheme for promotion and development of Indian Chemicals and Petrochemicals Industry by providing Grants-in-Aid and logo support to industry association for organising seminars, workshops, conferences etc. We are sponsoring India Chem. We are sponsoring National Petrochemicals Award. We are promoting knowledge creation and other promotional activities such as conducting studies, organising exhibitions, seminars, workshops, conferences etc. We are giving National Petrochemicals Awards under the CPDS scheme. This is for incentive for innovations in petrochemicals and downstream plastic processing industry and awards are given to individuals, industry, academia and researchers They are given to individuals also or a group of scientists who are developing new technology or innovations. So far, 10 editions of awards have been given and the last award was given in 2021; for the year 2019-20, there were 4 winners and 9 runners”

4.43 The Committee pointed out that the number of Awards have come down from 17 to 4. In reply the representative of the Ministry submitted as follows”

“Actually, the process is very rigorous Madam. Unless there is innovation or the industry is getting benefitted, just for a concept sort of thing, we are not doing it.

4.44 On being specifically asked about the declining number of Awards year by year, the representative of the Ministry stated as follows:

“Madam, there is an expert committee. Unless they recommend or unless they find that there is some innovation happening or some usefulness for the industry is there, they do not recommend. Whosoever is getting, they are the real gems”.

4.45 The Committee then desired to know whether there is drop in innovation in the Country. In reply the representative of the Ministry stated as follows:

“Madam, we are looking into it in a different way that we are popularizing the scheme more and more so that those who are not aware should come forward and submit their innovation. We are working on that. This time, we have given papers advertisement. Now, we are expecting more numbers to come. ”

CHAPTER V

OTHERS PROGRAMMES/PROJECTS/ISSUES

A. Central Institute of Petrochemicals Engineering & Technology (CIPET)

5.1 The Committee were informed that CIPET established in 1968 at Chennai with the assistance of UNDP is a premier national institution fully devoted to Skill Development, Technology Support Services, Academic and Research & Development (STAR) in all the domains of plastics.

5.2 During the year 2020-21, 13,494 students were enrolled through long-term programs CIPET which include 2,334 students of High-end UG and PG programs, and 11,160 students through Conventional Diploma programs. As regards, short-term /tailor-made sponsored / in-plant training programmes, 29,465 participants were trained during the year 2020-21. During the year 2020-21, 42,959 participants were trained and benefited through long term and short-term skill development training programs.

(Ref: LoP page No. 20)

5.3 Asked to state as to how many students were assessed and declared successful by CIPET under each of the above stated programmes and the difference between the number of students enrolled and declared successful by CIPET under each of the programme and also whether the difference between the two is very high. The Department replied as under:

Sl. No.	Particulars	No. of Candidates enrolled	No. of candidates assessed	No. of candidates declared successful
1	Long-Term Courses (LTC)	13494 (all years)	4390 (only final year)	3672
2.	Short-Term Courses (STC)	29622	29524	29465

The difference between nos. of candidates assessed and no. of candidates declared successful is not very high.

5.4 When asked as to how many participants were able to get an employment opportunity or got self employment on the basis of their training through various programmes of CIPET and details of last three years for each of the above stated programmes, the Committee were informed as under:

i) For : Skill Development (STC)

Sl. No.	Financial Year	No. of students employed in placement linked skill development training programme (SDTP)
1	2018-19	20994
2.	2019-20	14417
3.	2020-21	1886

ii) For : Academics (LTC)

Academic Year	No. of participants / students Trained (only final year)	No. of participants / students got employed
2018-19	5095	4285
2019-20	4390	3859
2020-21	4381	4002

5.5 Asked to state whether the short duration, skill cum- technology upgradation programmes are employment oriented. It was replied that the short-term skill development training programmes conducted at CIPET centres for the benefit of unemployed youth. On completion of the training programme they are getting gainful employment in plastics and allied industries across the country with better remuneration. The candidates passing out the practical oriented training programmes conducted at CIPET centres are having huge demand and requirement in this sector.

BE, RE and Actual expenditure of CIPET were stated to be as follows:

(₹ in Crore)

Year	BE	RE	Actual
2019-2020	80.00	81.50	81.50
2020-2021	98.25	146.30	146.30
2021-2022	117.88	102.34	81.70
2022-2023	100.24 (Proposed ₹ 101.37)	-	-

5.6 The Committee were informed that ₹ 50.00 Crore were sanctioned to CIPET as a one-time Grant-in-Aid-General to ensure its' sustainability due to COVID-19 pandemic. CIPET was allocated ₹98.25 Cr at B.E. 2020-21, however, due to lockdown in the country for Covid-19, the Institute could not continue its various activities such as regular courses, etc. and suffered loss of revenue. Therefore, the Institute sought a one-time grant of ₹144.00 Crore from the Govt. An amount of ₹50.00 Crore was agreed to by M/o Finance at RE 2020-21 subject to overall RE ceiling of ₹295.70 Crore to the Department. Accordingly, the overall allocation for CIPET was enhanced to ₹ 146.30 Crore at RE 2020-21.

5.7 On being asked about the quantum of loss suffered by CIPET due to lockdown and whether on-line classes were not commenced by CIPET and the present status in various states. It was informed that due to the sudden outbreak of COVID-19 pandemic, the Govt. of India had enforced complete lockdown throughout the country which brought the entire activity of CIPET at halt during the month of March 2020 and again in April, 2021 due to 2nd wave of COVID-19 pandemic.

The Financial loss occurred by CIPET was stated to be as given below:

(₹ in Crore)

S.No.	DOMAIN	Income	Income	Decrease	
		(2018-19)	(2019-20)	Amount	%
a.	ACADEMIC ACTIVITIES	63.75	63.35	0.40	1%
b.	TECHNICAL PROGRAMS [Sponsored]	119.66	95.30	24.36	20%
c.	TECHNICAL SUPPORT SERVICES	113.92	116.73	-	
d.	OTHER INCOME	19.63	18.32	1.31	7%
	TOTAL	316.96	293.70	26.07	28%
e.	GIA NON-PLAN	16.94	10.29		
	TOTAL	333.90	303.99		

(₹ in Crore)

S.No.	DOMAIN	Income	Income	Decrease	
		2019-20	2020-21	Amount	%
a.	ACADEMIC ACTIVITIES	63.35	50.46	12.89	2%
b.	TECHNICAL PROGRAMS [Sponsored]	95.30	29.16	66.14	21%
c.	TECHNICAL SUPPORT SERVICES	116.73	118.61	-	-
d.	OTHER INCOME	18.32	14.19	4.13	1%
	TOTAL	293.70	212.42	81.28	24%
e.	GIA NON-PLAN	10.29	59.68		
	TOTAL	303.99	272.10		

Academics

Sl. No.	Financial Year	Physical Target	Revised Physical Target	Achievement
1.	2019-20	80000	63000	63162
2.	2020-21	80000	45000	42959
3.	2021-22 (upto January, 2022)	70000	50115	35469

5.8 The Committee were informed that on-line classes were conducted for the candidates / students admitted in the programmes conducted at CIPET centres. CIPET centres were functioning as per the guidelines issued by the local district administration.

However offline training programme were not permitted during the lock down period at most of the CIPET centres, during which online session were conducted.

5.9 On return of normalcy, and as per the directives of respective district administration, all the CIPET centres had commenced the training programme through Physical / Offline mode.

R&D IN CIPET

5.10 The Committee have been informed that three well established R&D wings of CIPET viz., (i) Advanced Research School for Technology & Product Simulation (ARSTPS) at Chennai and (ii) Laboratory for Advanced Research in Polymeric Materials (LARPM) at Bhubaneswar and (iii) Advanced Polymer Design & Development Research Laboratory (APDDRL) at Bengaluru have been consistently contributing in applied research for industries.

5.11 During the year 2019-20, the R&D wings have undertaken 36 nos. R&D projects, 35 nos. of Research papers published in high impact factor peer-reviewed scientific journals and filed 5 nos. of patents. Also, the SARPs have successfully transferred 11 nos. of technologies to the industries. The research ideas have been translated to various Books / Book chapters by the SARP Team and 70 nos. have been published by leading International Publishers in the domain of Polymer Science & Technology.

5.12 Asked about the reasons for less number of R&D projects, Research Publications, papers presented, patents filed and technology transfer despite of huge all India presence of CIPET and steps being taken/proposed to be taken in this regard by CIPET. It was replied that even though 45 CIPET centres are present throughout the country, only 3 centres at Bhubaneswar, Bengaluru & Chennai have prime mandate to do R&D works. Steps are being taken to carry out research actively vigorously in IPTs and strengthening collaborative research work between CIPET and reputed institutes both in India and abroad. Qualified employees in IPTs are encouraged to undertake applied research based on their expertise and practical experience.

B. Plastic Waste Management Centre (PWMC)

5.13 The Committee desired to know Whether there is any proposal to set up at least one Plastic Waste Management Centre at each state it was submitted that presently, Govt. of India has approved establishment of Plastics Waste Management Centre (PWMC) at 04 places viz., Ahmedabad (Gujarat), Patna (Bihar), Varanasi (UP) and Bengaluru (Karnataka).

5.14 Asked to state the reasons for delay in land allotment of PWMCs proposed to be set up in Varanasi, Ahmedabad, Bengaluru, and Patna. It was submitted that the

following issues with State Govt. are the reasons for delay in allotment of land to CIPET for establishment of PWMC:

Gujarat (Ahmedabad):

- ❖ Ahmedabad Municipal Corporation (AMC) expressed their constraints to allot land and infrastructure at Ahmedabad due to very high market rate of land in Ahmedabad. Further, they are interested for solid waste recycling plant to handle 1000 tonnes per day rather 10 tonnes waste recycling plant proposed by CIPET.

Bihar (Patna)

- ❖ Patna Municipal Corporation (PMC) conveyed their difficulty to hand over the land and premises to CIPET as they are the larger stake holder and conveyed that ownership of the proposed PMWC should lie with them.
- ❖ PMC also suggested to submit revised draft MoU by incorporating various points like ownership of PWMC to PMC; after conducting initial trial cum production run by CIPET, the Centre to be handed over to PMC; CIPET will extend support only as Technology partner, PMC will take the responsibility of operation and maintenance; Royalty will be shared between CIPET & PMC on equal partnership basis.
- ❖ The above was not fully feasible for acceptance by CIPET/DCPC and hence, it was conveyed to PMC that the land may be given on lease to CIPET and ownership may remain with PMC, however, CIPET will have the authority of operation and maintenance.
- ❖ But, PMC raised additional issues such as scarcity of land, rent of the land, investment limitation on part of PMC, revenue sharing, selection of external industry partner for operation of PMC, etc.
- ❖ Formal communication regarding modifications in SOP and proposal is expected to proceed further.

Uttar Pradesh (Varanasi)

- ❖ Initially, Addl. Chief Secretary, Handloom & Textile Deptt., Govt. of UP vide letter dated 17.11.2021 has directed District Magistrate, Varanasi to complete the necessary procedures for handing over of 2.2 acres of land adjacent to CIPET for establishment of PWMC at Varanasi.

- ❖ However, while following up with District Magistrate and Labour Commissioner, Varanasi, it was informed that 12.22 acre is already transferred from the Deptt. of Handloom and Textile to Labour Department including the piece of land (2.2 acre) for construction of AtalAwasiyaVidyalaya.
- ❖ When the above matter was taken up with Addl. Chief Secretary vide letter dated 10.12.2021 and subsequent to the discussions held with him, it was informed to CIPET that handing over of 2.2 acres of land to CIPET from 12.22 acres of land has already gone for the cabinet approval.
- ❖ Hence, transfer of 2.2 acres of land to CIPET is expected soon.

Karnataka (Bengaluru)

- ❖ Initially, Bruhat Bengaluru MahanagaraPalike (BBMP) has identified few lands to CIPET and the same was visited and given acceptance by CIPET. Subsequently no response received from BBMP in this regard.
- ❖ After continuous follow up with O/o Chief Commissioner and other senior BBMP officials, Joint Commission conveyed that Govt. of Karnataka has alternate plans for the earmarked land and informed that 5 acres of land is not available in the identified site and suggested another location at Guddenahalli but it was a non-uniform quarry land and hence conveyed the unsuitability of land for PWMC Centre.
- ❖ Further BBMP has referred the site at "Bidadi" and advised to visit the same and CIPET is following up with Executive Engineer BBMP to fix up the date of site visit and till now there is no progress in the matter from State Govt.

5.15 The project of establishment of PWMC is pending since 2020-21 and there is no progress in the matter from the respective State Governments.

5.16 As there is no progress in the matter, it was proposed to revise Standard Operating Procedure (SOP) and the revision of SOP is under process. Once the revised SOP is implemented, further action on the matter will be taken.

C. Institute of Pesticides Formulation Technology (IPFT)

5.17 The Committee have been informed that IPFT is an Autonomous body under the Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Govt. of India. The Institute is working towards the development of safer, efficient and environment friendly pesticide formulations. The division support MSME, Start-up, Small and Medium scale industries and others for developing new formulations at a very

nominal cost, IPFT supports the agrochemical industries and also extends its R & D support at very nominal cost to industries towards development and evaluation of new formulations through Bioassay studies. Farmers, and especially those directly involved in the handling of pesticides, are at a high risk of exposure to pesticides through contact with pesticide residues on treated crops, unsafe handling, storage and disposal practices, poor maintenance of spraying equipment, and the lack of protective equipment or failure to use it properly. Measures to reduce the health/environmental risks of pesticides are needed, including pesticide safety training programs for farmers, stringent enforcement of pesticide laws, and promoting integrated pest management and non-synthetic methods of pest control.

As regards the budgetary provisions of IPFT the Department informed the Committee as follows:

(₹ In Crore)

Year	BE	RE	Actual
2019-2020	8.00	8.00	8.00
2020-2021	11.00	10.50	10.50
2021-2022	12.00	11.50	7.90
2022-2023	11.50 (proposed 17.20 Crore)	-	-

5.18 It may be seen that for the year 2021-22 the BE was 12 Crore but was reduced to ₹ 11.50 Crore and the actual expenditure as on 31.12.2021 was ₹ 7.90 Crore. Asked to state the reasons for reducing the BE at RE stage and also whether the Ministry would be able to utilize the remaining amount of ₹3.60 Crore before 31 March 2022. The Department submitted that the grant is being released as per MEP therefore total grant of ₹ 9.86 Crores have been released to the Institute of Pesticide Formulation Technology (IPFT) out of sanctioned grant of ₹ 11.50 Crore by the Department by the Month of January-2022. The Department is hopeful to release remaining grant of ₹ 1.64 Crore during the current financial year.

5.19 It may also be seen that the Department proposed ₹17.20 Crore at BE stage 2022-23 but only ₹11.50 Crore has been allocated for IPFT. The Department has submitted that it may impact purchase/ replacement of certain equipment, setting up of new lab facilities, purchase of softwares for lab up-gradation and automate various operation and fresh recruitments.

5.20 Asked specifically about the impact of reduction, it was submitted that During the year 2022-23 a total grant of ₹ 17.20 Crore was requested by IPFT for enhancement of salary due to fresh recruitment and procurement of highly sophisticated instrument required for the expansion of activities of IPFT. The reduction in fund allocation may affect capacity building expansion plan.

5.21 Asked about the type of project schemes being executed during the year 2021-22 by IPFT. The Committee were apprised that IPFT is devoted to the development of State-of-art user and environment friendly new generation pesticide formulations technologies. The Institute has established a healthy rapport with the Indian Agrochemical Industries and has been able to successfully transfer technologies or safer, efficient and environment friendly formulations. IPFT is helping the industries in generation of data as per CIB&RC guidelines for bio-efficacy, phytotoxicity and pesticide residues, both for agriculture and household formulations. IPFT undertakes both in-house and external funded R&D Projects.

5.22 The representative of the Department apprised the Committee further as follows:

“..... It is a small institute located in Gurugram but a very important one. It was established in 1991 at Gurugram; and its activities are: development of environment friendly pesticide formulation, providing analytical, consultancy services, dissemination of information and training of stakeholders, and participation in programmes of Organisation for the prohibition of chemical weapons. It is an accredited laboratory by National Accreditation Board for testing and calibration laboratories (NABL), and other various recognised bodies. It has developed 80 pesticide formulation technologies so far, and transferred about 60 formulations to industries and farmer It has filed 18 patents so far and it has four patents in its credit.....Right at the ground level, our officers are going and training farmers as to how to use safe pesticides.”

D. Bhopal Gas Leak Disaster (BGLD)

5.23 The Committee have been informed about BGLD as follows:

- (i) Disaster occurred during the night of 2nd /3rd December, 1984.
- (ii) Office of the Welfare Commissioner (O/o WC) was set up in 1985 under the Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985 and Scheme there under.
- (iii) On directions of the Hon'ble Supreme Court, Union Carbide Corporation, USA deposited a compensation amount of US\$ 470 million in February, 1989.
- (iv) Adjudication and disbursement of compensation commenced in 1992. O/o WC awarded Rs.1549.33 Cr to 5,74,393 claimants, till January, 2021.
- (v) Additionally Rs.1,517.90 Cr awarded to 5,63,127 claimants as pro-rata compensation, till January, 2022.
- (vi) Further, ex-gratia of Rs.863.26 Cr awarded to 51,670 affected persons, till January, 2022.

5.24 As regards the BE, RE and actual expenditure for Bhopal (BGLD) the Committee were apprised as follows:

(₹ In crore)

Year	BE	RE	Actual
2019-2020	21.42	27.95	23.61
2020-2021	31.80	21.43	18.93
2021-2022	22.06	18.53	13.57
2022-23	23.08	-	-

5.25 It may be seen that there is shortfall in the utilization of the allocated funds for three consecutive year. Asked to state reasons for the same & corrective steps taken in this regard. The Department replied that in 2019-20, an amount of ₹ 21.70 Crore was demanded in RE under other charges Action Plan(Ex-gratia) for payment to cases of Permanent Partial Disability category which was sanctioned on 27.02.2020 but the amount was not uploaded on PFMS.

5.26 For the year 2021-22, an expenditure of ₹ 15.82 Crore incurred against Revised Estimates of ₹ 18.53 Crore till 31-01-2022. The rest of the amount is expected to be utilised till March 2022.

5.27 It may be further seen that the BE for 2019-2020 was increased to ₹ 27.95 Crore from ₹ 21.42 Crore, but the BE proposed for 2020-2021 was ₹ 31.80 Crore reduced drastically to ₹ 21.43 Crore at RE stage similarly the BE proposed for 2021-2022 was ₹ 22.06 Crore but again reduced to ₹ 18.53 Crore. For the year 2022-23 again a higher BE of ₹ 23.08 Crore has been proposed. Asked to state reasons for the same. The Department submitted that in 2019-20, the sanction was accorded in October, 2019 for disbursing payment of ₹6.80 Crore in additional 170 cases under ex-gratia. Since the provision for these cases was not made during BE 2019-20, the demand for funds was raised for ex-gratia to ₹21.70 Crore instead of ₹14.90 Crore.

5.28 In 2020-21, during first quarter only ₹0.97 Crore was disbursed. The un-utilization of funds mainly pertained to disbursement of ex-gratia to gas victims. During the first quarter the Bhopal city was under complete lockdown due to CoVID-19 pandemic. The claimants did not report to the designated Courts due to which the cases were not finalized by Presiding Officers and disbursement could not be made. Therefore, O/o WC was unable to utilize the allocated funds in the remaining part of FY 2020-21 and hence surrendered a sum of ₹ 9.87 Crore under the object Head 'Other Charges (Action Plan)'.
'

5.29 In the year 2021-22 under the head ex-gratia action plan, a provision of ₹ 14.90 Crore was made which was subsequently remained ₹14.73 Crore due to re-appropriation of funds to professional services. D/o Expenditure directed to impose a 20% cut in this sub head accordingly ₹11.75 Crore was demanded in RE 21-22. Reduction of amount in Revised Estimates in other Heads viz- salary and medical

treatment Head is due to demise of 02 employees, retirement and decrease in submission of medical claims respectively.

5.30 In BE 2022-23 the provision has been enhanced to ₹15.70 Crore as determined by the presiding officers on the basis of cases in pipeline for disbursement and cases likely to be received from Govt. of Madhya Pradesh in respect of Cancer and Total Renal Failure in the coming financial year 2022-23 under head ex-gratia action plan. In salary and wages, provision has been slightly increased keeping in view of likely increase of DA instalment.

5.31 Asked about the basis of proposing a higher BE of ₹ 23.08 Crore when the actual expenditure for 2020-2021 and 2021-2022 was ₹ 18.93 Crore and ₹ 13.57 Crore respectively. The Department replied that in BE 2022-23 the provision has been enhanced to ₹15.70 Crore as determined by the presiding officers on the basis of cases in pipeline for disbursement and cases likely to be received from MP Govt. in respect of cancer and Total renal failure in the coming financial year 2022-23 under head ex-gratia action plan. In salary and wages, provision has been slightly increased keeping in view of likely increase of DA installment.

5.32 Further for the year 2019-20 the BE for BGLD was ₹21.42 Crore which was revised upwards to ₹ 27.95 Crore but the actual expenditure was ₹23.61 Crore only and asked to state the reasons for non-utilization of the funds of ₹ 4.34 Crore, it was apprised that in the BE 2019-20, out of ₹21.42 Crore, a provision of ₹14.90 Crore was meant for ex-gratia and ₹6.42 Crore was for establishment expenditure. The sanction for disbursing payment of ₹6.80 Crore in additional 170 cases under ex-gratia was accorded in October, 2019. Hence Demand was increased to ₹ 21.70 Crore from ₹14.90 Crore. For payment of ex-gratia an amount for ₹21.70 Crore against ₹ 14.90 Crore was demanded, but it could not be uploaded on PFMS. Hence, an expenditure of ₹ 23.61 Crore could be done for the year 2019-20.

5.33 As regards, the Bhopal Gas Leak Disaster the representative of the Department further apprised the Committee as follows:

“As regards the Bhopal Gas Leak Disaster, the disaster occurred in the night of 2nd/3rd December, 1984 and the office of Welfare Commissioner was set up in 1985 under the Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985. On the directions of the hon. Supreme Court, Union Carbide Corporation, USA deposited a compensation amount of USD 470 million in February, 1989. Adjudication and disbursement of compensation commenced in 1992 and the office of the Welfare Commissioner awarded ₹ 1,549.33 Crore to 5,74,393 claimants till January, 2022. Additionally, ₹ 1,517.90 Crore was awarded to 5,63,127 claimants as pro-rata compensation till January, 2022. Further, ex-gratia of ₹ 863.26 Crore was awarded to 51,670 affected persons till January, 2022.”

5.34 The representative of the Department also informed the Committee that as on date very few claims for compensation are being received by them. The Committee was also informed as follows:

“Madam, 574393 persons have been given compensation. After that, pro-rata was also distributed among 563129 persons. Now, in this scheme, we are disbursing ex-gratia amount which is sanctioned by the Central Government to the persons who suffered from cancer or total renal failure.”

5.35 The Committee then asked about removal of toxic waste from the Bhopal Gas Leak Site. In reply the representative of the Department apprised as follows:

“Madam, I will just update on that. But an Oversight Committee was formed under the Chairmanship of hon. Minister of Environment and Forests to oversee the whole thing. The Government of Madhya Pradesh floated a tender and based on that they have identified an organization which has come forward to transport the toxic waste. The proposal is now being sent to the Ministry of Environment and Forests for them to consider it and for the Oversight Committee to look at the pros and cons and then give its approval. So, it has moved since the last meeting and it is under process.”

E. CHEMICALS & PETROCHEMICAL SECTOR IN THE COUNTRY

5.36 The Committee have been informed that the Chemicals and Petrochemicals sector has grown multifold since independence of India. The sector has achieved self-reliance in respect of many chemical products. In chemical sector, dyestuffs and agrochemicals are net exporters and export their products to developed countries of the world. India being a populated country, the demand of chemical product is increasing every year. There are import of some basic feed stocks to convert into value added products in the country, which gives rise to employment opportunities in the country. Today India is exporting chemicals and petrochemicals to those countries from where these were imported decades ago.

5.37 As regards the details of imports & exports of major Chemicals and Petrochemicals for last five years the Committee were informed that the trend of import and export indicates a mixed product wise trend. However as a whole import has increased year over year except the year 2019-20 (due to Covid). In case of exports there is increasing trend from 2016-17 to 2018-19, at the later years (2019-20 and 2020-21) the trend is decreasing.

5.38 The summary of the Import and export of major chemicals in the sector during last five years was stated as under

Years	Figures in '000 MT				
	2016-17	2017-18	2018-19	2019-20	2020-21
Imports of chemicals	5400	5937	6379	6557	5983
Exports of chemicals	1484	1496	1579	1698	1905

Source: S&M division, DCPC:- Data includes only products monitored by S&M division

5.39 Regarding the per capita consumption of chemicals and petrochemicals in India it was stated that it is very low as compared to other developed countries indicating that there is enough potential for the growth of the sector in the coming year. As India is a big consumer of chemicals and petrochemicals, it is anticipated that production and consumption shall continue increasing in the coming decades. There are products namely Polycarbonate, Super Absorbent Polymers, Methyl Methacrylate Butadiene Styrene, polyacetals, Methylene Diphenyl Diisocyanate, Ethylene-Vinyl Acetate and Ethylene Propylene Diene Monomer do not have domestic capacities and these are totally import dependent products. There are no products out of the majorly traded petrochemicals where domestic capacity is self-sufficient. However, there are products like polyethylene's, polypropylene, where domestic capacities are near to self-sufficient, still there are various grades of these polymers and their co-polymers which are not manufactured in the country, being imported in considerable quantities.

F. Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) POLICY

5.40 The Department has informed that PCPIR policy aims to boost manufacturing in Chemicals Sector, augment exports and generate employment with core development of downstream industry in cluster development approach. Four PCPIRs have been notified so far (i) Gujarat (Dahej) in 2009, (ii) Andhra Pradesh (Vishakhapatnam) in 2009, (iii) Odisha (Paradeep) in 2010 and (iv) Tamil Nadu (Cuddalore and Nagapattinam) in 2012. These PCPIRs are expected to attract investment of around ₹ 7.63 lakh and expected to generate employment for around 33.88 lakh people.

5.41 As regards PCPIR the Committee were further informed that Government of India provides Viability Gap Funding through Public Private Partnerships for developing infrastructure linkages to the PCPIR including Rail, Road (National Highways), Ports, Airports, and Telecom under the schemes of concerned Ministries / Departments. Further, State Governments and organizations under the control of State Governments also provide financial assistance for developing internal infrastructure. However, the Department does not make any budgetary allocation to the PCPIR. In the four PCPIRs which are at different stages of implementation investments of ₹ 2.27 lakh Crore (approximately) have been made/committed in these regions and around 4.21 lakh persons have been employed in direct and indirect activities in PCPIR. The

Government reviews implementation of PCPIRs from time to time. This Department has also initiated process to make necessary amendments in the existing PCPIR Policy with objective to attract more investments and faster implementation.

5.42 Asked about the amendments the Department would like to bring in the existing PCPIR policy and steps envisaged in this regard. It was submitted as follows:

The Ministry has proposed to the following amendments in the existing PCPIR policy :-

- (i) Reduce the minimum required area for new PCPIRs from 250 to 50 sq.km. with minimum processing area of 33 sq.km. out of which at least 80% should be for greenfield manufacturing projects.
- (ii) Renaming “Management Boards” as “Development & Management Boards” for the PCPIR. The State Governments should delegate powers to issue approvals and clearances required under various state laws to the Boards to provide for a ‘single window clearance’ system in the notified PCPIR area.
- (iii) In addition to ensuring availability of external physical linkages, Government of India will consider giving support for development/ construction of internal infrastructure and common utilities under existing schemes like National Infrastructure Pipeline (NIP), on top priority.
- (iv) Government of India will support the Management and Development Boards with equity contribution of maximum of ₹ 2,500 Crore for master planning, construction of internal infrastructure and utilities which are not taken up under any other scheme, developing shelf of investible industrial projects and marketing initiatives for attracting domestic as well as global investments, appointing full time CEO and other technical and managerial experts with experience of developing similar investment regions. This equity support will be given over a period of 5 years depending on the progress of acquisition of required land and construction work.
- (v) For chemicals and petrochemicals which are imported in very high value and are not covered by Production Linked Incentives, it is proposed to increase the customs duty over a period of five years in small steps to ensure smooth absorption without causing any significant impact but at the same time sending favorable signal to the prospective investor Effective Customs Duty (ECD) on import of the chemicals.
- (vi) Include Secretaries of three Departments i.e., Fertilizers, Pharmaceuticals and Water Resources, RD & GR, and substitute CEO NITI Aayog in place of Member

Secretary, Planning Commission in the High Powered Committee for approval and monitoring of PCPIR

- (vii) Planning of PCPIRs may be based on feed-stock/ raw material either from one or more anchor tenants or from outside the PCPIR including imports.etc.

5.43 On being asked to state as to why the Department does not make any budgetary allocation to the PCPIR. The Department replied as follows:

As per the PCPIR policy, Government of India will ensure the availability of external physical infrastructure linkages to the PCPIR including Rail, Road (National Highways), Ports, Airports, and Telecom, in a time bound manner. This infrastructure will be created/upgraded through Public Private Partnerships to the extent possible. Central Government will provide the necessary viability gap funding through existing schemes. Wherever necessary, requisite budgetary provisions for creation of these linkages through the public sector will also be made. The detailed updated status of all 4 PCPIRs the Committee were informed as follows:

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	640.00	284.15	256.83
Processing Area (Sq.kms.)	248.00	270.00	123.00	104.00
Anchor Tenant	ONGC Petro Additions Limited (OPaL)	Yet to be finalized	Indian Oil Corporation Ltd. (IOCL)	TIDCO is awaiting the revival of proposed
Refinery / Cracker capacity in MMTPA	Cracker: Ethylene: 1.1 Propylene: 0.6	Yet to be finalized	15 (Greenfield refinery).	Anchor Tenant of Nagarjuna Oil Corporation Limited /new project to be set up in this location.
Anchor Project Status	Commissioned in March, 2017	Yet to be finalized.	Commissioned in February, 2016.	
Amount of approved infra. projects (₹)	--	18,731.00	13,634.00	13,354.00

Crore)*				
Gol share in form of VGF (₹ Crore)	80.50	1206.80	716.00	1143.00
Total proposed investments (₹ Crore)*	50,000.00	3,43,000.00	2,77,734.00	92,500.00
Investments made (₹ Crore)	1,21,227	51,481.00- Committed & 15,081.00 – Actual made so far	47,000.00	8,100.00
Projected employment (No.)*	8,00,000	11,98,000	6,48,000	7,37,200
Employment generated (No.)	2,28,000	1,39,627	40,000	13,950
Status of Master Plan notification	Development Plan sanctioned.	Field Studies, village level consultations completed. Once the Anchor unit finalizes location, configuration and capacity of the Cracker Complex etc., Master Plan will be finalized.	Preparation of Master Plan is in process.	It will be taken up after formation of PCPIR Management Board.
Status of EIA	Environmental Clearances & Coastal Region Zone received.	Environmental Clearances, EIA Studies, Collection of Baseline Data etc completed. Once the Master Plan finalized based on location, configuration and capacity of the Cracker Complex the public hearing will be conducted and will be processed for Environmental Clearance.	The draft EIA & EMP Report has been prepared based on the fresh ToR issued by MoEF&CC and same has been submitted to Odisha SPCB for the conduct of hearing in Jagatsinghpur & Kendrapara District.	Will be taken up after formation of PCPIR Management Board.

* At the approval stage of the projects.

5.44 On being asked to state the reasons for delay in the establishment of PCPIR at Gujarat, Andhra Pradesh and Odisha the Department submitted that these are large projects with long gestation period of 20-25 years and realization of full potential is a gradual process. The preparation and approval of Master Plans and Environment Impact Assessment for different reasons will take time which is very crucial for attracting investment. Government has also initiated process to review the PCPIR Policy with objective to attract more investments and faster implementation.

5.45 The Representative of the Department apprised the Committee further about PCPIR as follows:

“We have a Policy for Petroleum, Chemicals and Petrochemicals Investment Region. As the Secretary said in the very beginning, we believe in cluster development approach. Unless we provide a cluster development model, this Chemicals and Petrochemicals cannot grow. So, with this objective to boost manufacturing in the chemicals sector, augment exports and generate employment with co-development of downstream industry in cluster development approach, PCPIR Policy has been framed. So far, 4 PCPIRs have been notified by the Government. One is at Gujarat, the second is in Andhra Pradesh, the third is in Odisha and the fourth is in Tamil Nadu. These 4 PCPIRs are expected to attract an investment of around ₹ 7.63 lakh Crore and at the same time, we expect that about 33.83 lakh people will get employment once these become fully operational. In Dahej, Gujarat, 453 sq. km. have been identified and the processing area there is 248 sq. km. and the Anchor Tenant was commissioned in 2017 and the proposed investment was about ₹ 50,000 Crore. Already, an investment of ₹ 1,21,227 Crore has been made and 8 lakh employment is projected. Out of that, 2,28,000 employments have been generated already. The development plan is already sanctioned. There are other such examples.”

5.46 The Committee noted that it is the vision of the Department to attract much investment and to generate employment through PCPIR. The Committee, therefore, desired to know about strategy of the Department for infrastructure development for the Chemical and Petrochemical Industry. In reply the representative of the Ministry stated as follows:

“Regarding PCPIR, it is a policy matter and the Department is already under active consideration to amend it and make it more successful. Then regarding the strategy for the raw material which is not available in the country, this is our basic strategy. Any country cannot be self-sufficient or can be full of everything. We may have shortage of certain things and surplus of certain things. So, we are adopting the strategy of importing the raw material at cheaper price and exporting it after value addition. So, this is the thump rule we are trying to follow. Since the sector is delicensed and de-regulated, not much regulatory issues is there. But as you have rightly said about taxes, the tax issues should be looked into and we are recommending for it in consultation with the industry and their requirements.”

PART – II

OBSERVATIONS/RECOMMENDATIONS

Recommendation No. 1: Proposed and Approved Allocations for the year 2022-23 of the Department of Chemicals & Petrochemicals

The Committee note that for the year 2022-23, the Department proposed a BE of ₹271.27 Crore but have been allocated an amount of ₹209.00 Crore only. The reasons for this cut of ₹62.27 Crore *vis-à-vis* the proposal, stated by the Department are overall expenditure incurred by the Department, resources available with the Government and its priorities. The Committee are of the opinion that the factors of overall priorities of the Government, availability of resources are beyond the control of the Department but expenditure track of the previous financial years is one of the deciding factors in the allocation of funds to the Department commensurate with the proposal is the sole responsibility of the Department. The Committee hope that the Department will pay necessary attention for the utilization of the allocated funds. Further, the Department has submitted that the prime shortfalls in budget proposed *vis-à-vis* budget allocated for the year 2022-23 include, ₹53.77 Crore under NSP, ₹5.70 Crore under IPFT, ₹3.00 Crore under CPDS and a minor reduction of ₹1.13 Crore under CIPET which is not likely to hamper the scheme of the CIPET. The Committee note with concern that both the schemes of the Department namely (i) New Scheme of Petrochemicals (NSP) and (ii) Chemicals Promotion and Development Scheme (CPDS) have suffered a reduction of ₹53.77 Crore and ₹3.00 Crore respectively. Thus the prime schemes of the Department would have a negative impact on the functioning of the Department too. Further, the IPFT has suffered a reduction of ₹

5.70 Crore which too will have an adverse impact on the functioning of the Department. The Committee are somewhat satisfied with the submission of the Department that minor reduction of ₹1.13 Crore for CIPET is not likely to hamper severely the schemes/ programmes being implemented by it. The Committee however strongly recommend that the Department should judiciously and cautiously use the allocated funds for NSP & CPDS and also take up the matter at appropriate level, if necessary, to get requisite allocation of funds for effective implementation of these schemes.

Recommendation No. 2: Budgetary Allocation & Utilization During 2019-20, 2020-21 and 2021-22

The Committee note that the BE (2019-20) was ₹263.65 Crore which was revised upward to ₹370.18 Crore and the actual expenditure was ₹365.10 Crore. The BE (2020-21) was ₹218.34 Crore but was again revised upward at RE stage to ₹ 395.70 Crore and the actual expenditure was ₹293.04 Crore. The BE (2021-22) was ₹233.14 Crore but has been revised downward to ₹209.00 Crore and the actual expenditure in ₹ 158.00 Crore as on 31.12.2021. The Committee are satisfied to see the utilization of allocated funds during 2019-20 and 2020-21 which comes out to be 98.6% and 99% of the RE for respective years. Regarding the remaining fund utilization of ₹51.00 Crore during 2021-22 the Committee have been informed that proposals by various Divisions have been forwarded to IFD and after concurrence, necessary sanction orders have been released by the Department to utilize the balance funds of ₹51.00 Crore. The Committee hope that the Department would continue its performance in the optimal utilization of the allocated funds in the years to come. As regards the reduction of BE (2021-22)

from ₹233.14 Crore to ₹209.00 Crore at RE stage the Department has submitted that it is primarily due to two factors (i) reduction in allocation of fund for CIPET schemes and (ii) BGLD cost centre. ₹117.88 Crore was allocated to CIPET which was reduced to ₹102.34 Crore due to various reasons like (i) non-allotment of land at Jammu, (ii) 50% of the project cost for establishment of CIPET at J&K being still under consideration etc. and as regards the BGLD, a total of ₹ 3.53 Crore has been reduced because of COVID-19, a ceiling of 20% expenditure of the overall BE allocation has been imposed by the Ministry of Finance. The Committee find that the issues relating to BGLD are not under the Control of the Department whereas the former issue relating to the CIPET are well under the administrative control of the Department. The Committee, therefore, recommend that the Department should streamline and expedite the pending issues of various schemes so as to get a higher allocation of funds in future.

Recommendation No. 3: Utilisation of Funds Under New Schemes of Petrochemicals (NSP) For 2021-22

The Committee note that during the year 2021-22 an amount of ₹53.73 Crore was projected at BE for NSP which was reduced to ₹51.13 Crore at RE Stage and out of the reduced RE as on 31.01.2022 an amount of ₹42.54 Crore has been utilised by the Department. The Department has stated that they have spent the amount as per the Monthly and Quarterly expenditure plan limits assigned to them and they are hopeful to utilize the entire amount allocated under NSP at the RE Stage for the Financial year 2021-22. The Committee hope and trust that as assured the Department would be able to spend the remaining allocated amount by 31.03.2022.

Recommendation No. 4: Drastic Cut in BE (2022-23) of NSP

The Committee note that the Department proposed an amount of ₹102.73 Crore as BE for the year 2022-23 but have been allocated ₹48.50 Crore only. As regards the amount of ₹102.27 Crore the Committee have been informed that ₹66.27 Crore were projected for the ongoing projects and ₹36.00 Crore were proposed for new Centres of Excellence (CoEs) and new Plastic Parks. The Committee have also been informed that the curtailment of funds can affect the progress and implementation of the ageing projects as well as the continuation and expansion of the existing scheme. The Committee, therefore, recommend that the Department should analyze urgently the reasons for drastic cut in the proposed BE of ₹102.73 Crore and should also raise the matter at appropriate forum more forcefully to get allocation of funds commensurate to the proposed BE for NSP. The Committee further recommend that at 'no cost' the implementation and expansion of the Scheme under NSP should be affected adversely.

Recommendation No. 5: Proposal of Five New Plastic Parks

The Committee note that there is a proposal to set up five new Plastic Parks till the year 2025-26 at a total budget outlay of ₹202.50 Crore which include ₹40 Crore for each Park and ₹2.50 Crore as Programme Manager fees for each Park and the proposal has been approved by the Minister of Chemicals & Fertilizers and by Standing Committee on Finance but subject to the concurrence of Department of expenditure. As such the Department of expenditure has been requested to accord approval/concurrence for the proposal of five new Plastic Parks. In this regard, it has been submitted by the representative of the

Department during oral evidence that the proposal has not been concurred because of slow progress in the setting up of Plastic Parks. However, they will now take up the matter with the Ministry of Finance (Department of Expenditure). The Committee are perturbed to note this sequence of events and opine that the Department alone is responsible for slow progress in the setting up of Plastic Parks. Though the Department has submitted that they have initiated a slew of measures like (i) reviewing the progress submitted by state Governments, (ii) Holding review meetings/ field units and (iii) review of Plastic Parks by scheme steering Committee (SSC) etc. but the Committee feel that these measures have not been able to produce the desired objective of accelerating the pace of setting up of the Plastic Parks and need to be reviewed and at the same time concrete measures have to be taken by the Department. In this regard, the Department has submitted that they expect an early concurrence of the said proposal by the Ministry of Finance (Department of Expenditure) nevertheless the Committee strongly recommend that the matter be pursued vigorously else the whole calculation of funds and plan of the five new Plastic Parks would not materialize. The Committee also recommend that as far as possible the BE should be projected only after obtaining necessary approvals/concurrence from the Ministry of Finance.

Recommendation No.6: Revisiting the policy of Plastic Parks

The Committee have been apprised that the Department has revisited the policy for establishment of Plastic Parks and now in addition to Greenfield projects, the brownfield projects would also be considered as per the request of the Industry and now the entrepreneur need not to purchase the land and block

their capital as they can now get the land on lease basis also. The Committee hope that by bringing this amendment the Department would be able to accelerate the pace of establishment of Plastic Parks.

Recommendation No.7 : Delay in establishment in Plastic Parks at Paradip Odisha and Assam

As regard, the delay in establishment of Plastic Parks at Odisha and Assam the Committee have been informed that the Common Facility Centre (CFC) is pending because the units are not coming forward and it has been deliberately decided not to put the machinery and equipment for CFC as it will become obsolete. The Committee are of the view that the Plastic Parks at Paradip Odisha and Assam have become victim of lack of proper planning/management on the part of the Department. The Committee strongly recommend that the fate of these two Plastic Parks should be decided at the earliest and immediate steps be taken to encourage the industry to come forward. The Committee may also be apprised of the steps taken in this regard.

Recommendation No.8: Location of Plastic Parks

The Committee have been apprised that the State Government partially selects the land for Plastic Parks and offer it to the Department. However earlier the Department was accepting the offers of land by the State Government irrespective of location of the land but now a steering Committee chaired by Secretary has been constituted and the Department is continuously choosing the location of the land and the location is also shown to the industry and once it is concurred by them or they are ready for Plastic Parks at that location only then a Plastic Park is sanctioned. In view of the Committee it is a right step and it

should have been taken earlier. Anyhow the Committee hope that this step would minimize the delay in the setting up of Plastic Parks. The Committee have been informed that the Plastic Parks at Tinsukia is delayed mainly due to locational disadvantage. The Committee recommend that a final decision about Tinsukia Plastic Park should also be taken and it should not be left because of locational disadvantage.

Recommendation No. 9: Centres of Excellence (CoEs)

The Committee note that basic purpose of the Centres of Excellence (CoEs) is to promote Research and Development in the field of Petrochemicals and some CoEs have also been sanctioned so far. However, the sanction amount of ₹6.00 Crore per Centre of Excellence has now been reduced to ₹5.00 Crore. The Committee have not been apprised of the rationale behind this reduction. The Committee feel that it is an important scheme of the Department as it is related to Research and Development in the field of Petrochemicals and therefore, recommend that the reason behind the reduction of the fund be analyzed appropriately.

Recommendation No. 10: Chemicals Promotion and Development Scheme (CPDS)

The Committee note that the Department provide soft support under CPDS in the form of Grant-in-aid to various organizations/industry associations etc. to conduct workshops, seminars, studies etc. for creating awareness as well as dissemination of information for promotion and development of Chemical and Petrochemical Industry. The Committee further note that the Department also give awards for undertaking research and innovation in the field of Chemicals

and Petrochemicals to encourage them. As regards the grant-in-aid, the Committee note that during the year 2019-20, only 8 organizations were given grant-in-aid out of the 56 number of organizations/industry associations applied for. During the year 2020-21, 168 number of organizations/industry associations applied but only 04 number of organizations/industry associations were provided with the grant-in-aid. For the year 2021-22, upto 31.01.2022, 26 number of organizations applied but just 06 number of organizations have been provided with the grant-in-aid. During the period of four years i.e. from 2019 to 2022, the grant-in-aid has been provided to just 18 organisations/industry associations out of the 250 applications received. These figures cast a doubt on the policy of providing grant-in-aid under CPDS. It appears to the Committee that there is lack of awareness among the organizations/industry associations regarding CPDS and also about the nitty-gritty of the schemes. The Committee recommend that appropriate steps are to be taken by the Department to make aware the organizations/industry associations for obtaining grant-in-aid. The Department should also analyse the reasons for rejection of the applications and initiate remedial steps. As regards to the applications lying pending with the Department received under CPDS, the Committee have been informed that proposals received by them have been processed as per the CPDS guidelines. However some proposals for grant-in-aid have been kept in abeyance for want of concurrence of the Ministry of Finance (Department of Expenditure) for release of funds and the matter is being pursued by this Department with the Department of Expenditure. The Committee recommend that the matter be pursued and brought to logical conclusion and be informed of the final outcome in this regard.

Recommendation No. 11: Granting of Awards under CPDS

As regards the awards being given as incentive for the innovations in petrochemicals and downstream plastic processing industry to individuals/group of scientists etc. the Committee note that according to the submission of the Department, the process of awarding under CPDS is very rigorous and an award is not given unless there is an innovation or the industry is getting benefitted. A perusal of the figures of the awards reveals that the number of winners which was 17 in the year 2015-16 has come down to 04 in the year 2019-20. Similarly the number of runner-ups come down from 14 to 09 during the same period. The Committee express their deep anguish over the unfortunate decline in the number of awards. The Committee are of the opinion that the decline in the number of awards indicate a decline in the innovations in this field. The Committee, therefore, recommend that appropriate steps be taken to promote innovations in this field and also to increase the participation of the individuals/organizations etc.

Recommendation No. 12: Financial Achievements under CPDS

The Committee note that BE of CPDS for the year 2019-20 was ₹3.00 Crore and the actual expenditure was ₹2.93 Crore. For the year 2020-21 BE of ₹3.50 Crore was projected but was reduced to ₹2.80 Crore and the actual expenditure is also ₹2.80 Crore. However, for the year 2021-22 a higher BE of ₹3.00 was fixed which was enhanced to ₹3.60 Crore at RE stage out of which an amount of ₹1.76 Crore has been spent upto 31.12.2021. The reason for the increase and decrease in the BE is stated to be the trend of number of proposals received by the Department. The Committee recommend that the trend of the proposals be

studied thoroughly and a realistic BE may be projected in future. The Committee note that for the year 2022-23 the Department proposed an amount of ₹6.00Crore but have been allocated just ₹3.00 Crore. The Committee have also been informed that the Ministry of Finance (Department of Expenditure) has not agreed for continuation of the scheme in its present form and a new scheme for Promotion and Development of Chemicals has been prepared with an outlay of ₹57.60 Crore for a period of five years and the approval of Ministry of Finance is awaited. The Committee recommend that the proposal be pushed with the Ministry at the highest level and there is no parallel scheme to the CPDS either inside or outside the Department for development and promotion of Chemical. However, the Committee note that even the new scheme has been confined to grant-in-aid and awards only. The difference between the CPDS and NCPDS is just the budget outlay. The Committee are of the view that the Chemical Sector cannot be developed only by providing grant-in-aid and awards. The Department should explore other ways also for the promotion and development of the Chemicals Sector.

Recommendation No. 13: Enrollment under various programme of CIPET

The Committee note that as many as 13,494 candidates were enrolled in the long term courses and only 4390 candidates are stated to have been assessed and just 3672 candidates have been declared successful. As regards the skill development (Short Term Courses) the Committee note that during the years 2018-19, 2019-20 and 2020-21, 20994, 14417 and 1886 students respectively were employed in placement linked Skill Development Training Programme (SDTP). The Committee note that the number of students/candidates is

decreasing every year and particularly the difference for the year 2019-20 and 2020-21 is a big difference. The Committee are anxious to know the precise reasons for this decline and recommend that immediate steps be taken to arrest the declining trend of the successful students. The Committee, therefore, strongly recommend that CIPET should render all possible help to the successful students/candidates to get meaningful placement.

Recommendation No. 14: BE, RE and Actual Expenditure of CIPET During Previous Years

The Committee note that BE (2019-2020) was ₹ 80.00 Crore but was enhanced to ₹ 81.50 Crore and the entire amount of RE has been utilised. The BE (2020-2021) was ₹ 98.25 Crore and was enhanced to ₹ 146.30 Crore as the Institute sought a one-time grant of ₹ 144.00 Crore and an amount of ₹ 50.00 Crore were approved by the Ministry of Finance at RE stage and like in the year 2019-2020 in this year too the whole RE of ₹ 146.30 Crore was fully utilised. As far as BE (2021-22) is concerned the Committee note that it was ₹ 117.88 Crore but was revised downward to ₹ 102.34 Crore at RE stage and the actual utilisation is stated to be ₹ 81.70 Crore. The Committee are satisfied with the impressive trend of utilization of funds during the year 2019-2020 and 2020-2021 and hope that during the year 2021-2022 to the remaining allocated amount would be utilised. The Committee note that on-line classes were conducted by CIPET as offline training programme were not permitted during the lockdown period. However on return of normalcy and as per the directions of respective district administration all the centres of CIPET have commenced their training programmes through physical/offline mode. The Committee are of the view that it is a move in right

direction and desire that some additional innovative measures may also be explored to neutralise the adverse impact of COVID-19 pandemic on the training programme of CIPET and for also to complete the training of candidates students within the stipulated time.

Recommendation No. 15: R&D in CIPET

The Committee note that CIPET has three R&D wings viz. (i) Advanced Research School for Technology & Product Simulation (ARSTPS) at Chennai and (ii) Laboratory for Advanced Research in Polymeric Materials (LARPM) at Bhubaneswar and (iii) Advanced Polymer Design and Development Research Laboratory (APDDRL) at Bengaluru. Further during the year the R&D wings have undertaken 36 nos. R&D projects, 35 nos. of Research papers published in high impact factor peer-reviewed scientific journals and filed 5 nos. of patents. Also, the SARPs have successfully transferred 11 nos. of technologies to the industries. The research ideas have been translated to various Books / Book chapters by the SARP Team and 70 nos. have been published by leading International Publishers in the domain of Polymer Science & Technology. The Committee have noted that even though 45 Centres of CIPET are functioning throughout the Country, but just 03 centres of CIPET at Bhubaneswar, Bengaluru and Chennai have the Prime mandate to perform R&D work. The Committee recommend that R&D activity should not be confined only to 03 centers of CIPET and the Department should take steps immediately to extend the R&D activities for other Centres of CIPET too. The Committee would like to be apprised of the Steps taken by the Department in this regard.

Recommendation No. 16: Plastic Waste Management Centre

The Committee note that there is a proposal to set up at least one Plastic Waste Management Centre (PWMC) at 04 places viz., Ahmedabad (Gujarat), Patna (Bihar), Varanasi (UP) and Bengaluru (Karnataka). However, due to various issues with the State Governments their is delay in allotment of land to CIPET for establishment of PWMCs and there is no progress in the matter. Accordingly it has been proposed to revise the Standard Operating Procedure (SOP) and the revision of SOP is under process. The Committee strongly recommend that the revision of SOP be expedited and the Committee may be apprised accordingly.

Recommendation No. 17: Bhopal Gas Leak Disaster (BGDL)

The Committee note that during 2019-2020 that BE was revised upwards to ₹ 27.95 but the actual expenditure was ₹ 23.61. Similarly the BE was ₹ 31.80 Crore but reduced to ₹ 21.43 Crore and the actual expenditure was ₹ 18.93 Crore. For the year 2021-2022 BE (2021-2022) was ₹ 22.06 which was reduced to ₹ 18.53 Crore and the actual expenditure was ₹ 13.57 Crore. Thus there is a shortfall in the utilization of allocated funds for three consecutive years due to various reasons. The Committee don't want to go deeper into the reasons as they are administrative matters to be resolved by the Centre/State Governments. However, the Committee desire and also recommend that at least on humanitarian grounds, the Department should come up and resolve the issues involved in the payment of ex-gratia so as to provide succor to them.

Recommendation No.18: Removal of Toxic Waste

As far as the issue of removal of toxic waste is concerned the Committee have been informed that an oversight Committee has been formed headed by Hon'ble Minister of Environment and Forest. Further, the state Government of Madhya Pradesh has floated an intimational tender and an organization has also been identified to transport the toxic waste. Moreover, one proposal is being sent to the Ministry of Environment and Forest for necessary approval. The Committee are very much perturbed to note that the Bhopal Gas tragedy occurred way back in the year 1984 and even after lapse of about 38 years, and various steps taken by the Union Government as well as the State Government of Madhya Pradesh, the matter is still under process. The Committee recommend that the Department should clearly come out with the details for removal of toxic waste and they be apprised accordingly.

Recommendation No. 19: Import and Export of Major Chemicals and Petrochemicals

As regards the details of imports & exports of major Chemicals and Petrochemicals for the last five years the Committee note that the trend of import and export indicates a mixed product wise trend, but as a whole import has increased year after year except the year 2019-20 (due to COVID-19). However, in case of exports there is increasing trend from 2016-17 to 2018-19, at the later years (2019-20 and 2020-21) the trend is decreasing. The Committee recommend that urgent steps be taken to increase the export of Chemicals and Petrochemicals and to decrease its imports. The Committee may be informed the steps taken in this regard. A perturbing fact which has come to the notice of

the Committee is that that the per capita consumption of chemicals and petrochemicals in India is very low as compared to other developed countries indicating that there is enough potential for the growth of the sector in the coming year. As India is a big consumer of chemicals and petrochemicals, it is anticipated that production and consumption shall continue increasing in the coming decades. The Committee recommend that the Department should initiate concrete steps to tap the potential for the growth of the sector in future at the earliest. Another glaring feature which has come to the notice is that there are products namely Polycarbonate, Super Absorbent Polymers, Methyl Methacrylate Butadiene Styrene, polyacetals, Methylene Diphenyl Diisocyanate, Ethylene-Vinyl Acetate and Ethylene Propylene Diene Monomer do not have domestic capacities and these are totally import dependent products. Further, there are no products out of the majorly traded petrochemicals where in domestic capacity is self-sufficient. However there are products like polyethylene's, polypropylene, the domestic capacities are near to self-sufficient, still there are various grades of these polymers and their co-polymers which are not manufactured in the country, being imported in a considerable quantities. In this regard, the Committee desire that the Department should look into the issue on priority basis and initiate steps for reducing dependence on import of these products. The Department should come out with a policy to achieve self sufficiency in the production of various grades of polymers and there co-polymers which are not manufactured in the country and are being currently imported.

Recommendation No. 20: Petroleum, Chemicals & Petrochemical Investment Regions (PCPIR)

The Committee note that the aims and objectives of PCPIR are to boost manufacturing in Chemical Sector, augment exports and generate employment. To achieve these lofty goals of PCPIR, four PCPIRs have been notified by the Government at (i) Gujarat (Dahej) in 2009, (ii) Andhra Pradesh (Vishakhapatnam) in 2009, (iii) Odisha (Paradeep) in 2010 and (iv) Tamil Nadu (Cuddalore and Nagapattinam) in 2012. The Committee further note that these PCPIRs are stated to attract investment of ₹ 7.63 lakh Crore and expected to generate employment for 33.88 lakh people. However, the Committee regret to note that these four PCPIRs, conceived way back in the year 2009, 2010 and 2012 are struggling to come into existence. For example for the PCPIR at Andhra Pradesh and Odisha the master plan is yet to be finalized, whereas for the PCPIR at Tamil Nadu it will be taken up after formation of PCPIR management Board. Further for the PCPIR at Andhra Pradesh, Odisha are awaiting environmental clearances whereas in Tamil Nadu the environmental clearances would be taken up after formation of PCPIR Management Board. In this regard the Department has submitted that these are large projects with long gestation period of 20-25 years and realization of full potential is a gradual process. The Committee do agree with the contention of the Department but are of the view that even the basic issues like approval of Master plans and Environment Impact assessment could not be completed even after lapse of about 12 to 13 years of the inception of PCPIRs. The Committee, therefore, strongly recommend that the matter be looked into and concrete steps be taken at the earliest. The Committee has noted that the PCPIR policy is under active consideration of the Department with a view to

make it more successful. Some of the amendments proposed include (i) reducing the minimum required area for new PCPIRs from 250 to 50 sq. km. (ii) Re-naming of 'Management Boards' as Development and Management Boards etc. The Committee strongly recommend that the necessary amendments be brought in PCPIR Policy at the earliest not only to give a concrete shape to the four PCPIRs but also for generating employment for 33.83 lakh people and attract investment of ₹ 7.63 lakh Crore as proposed by the Department.

New Delhi;
16 March, 2022
25 Phalguna, 1943 (Saka)

KANIMOZHI KARUNANIDHI
Chairperson,
Standing Committee on
Chemicals and Fertilizers.

**STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2021-22)**

Minutes of the Third Sitting of the Committee

The Committee sat on Thursday, the 24th February, 2022 from 1400 hrs. to 1530 hrs. in Committee Room No. 1, Parliament House Annexe Extension Building, New Delhi.

PRESENT

Ms Kanimozhi Karunanidhi- Chairperson

MEMBERS

LOK SABHA

2. Shri Prataprao Patil Chikhlikar
3. Shri Satyadev Pachauri
4. Shri Arun Kumar Sagar
5. Dr. Sanjeev Kumar Singari
6. Shri Pradeep Kumar Singh
7. Shri Uday Pratap Singh
8. Shri Indra Hang Subba

RAJYA SABHA

9. Shri Ayodhya Rami Reddy Alla
10. Shri G. C. Chandrashekhar
11. Dr. Anil Jain
12. Shri Arun Singh
13. Shri Vijay Pal Singh Tomar

SECRETARIAT

1. Shri Vinod Kumar Tripathi - Joint Secretary
2. Shri Nabin Kumar Jha - Director
3. Shri C. Kalyanasundaram - Additional Director
4. Shri Kulvinder Singh - Deputy Secretary
5. Shri Panna Lal - Under Secretary

Witnesses

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

<u>Sl No.</u>	<u>Name</u>	<u>Designation</u>
1	Smt. Arti Ahuja	Secretary, C&PC
2	Shri Satendra Singh	AS &FA
3	Shri Kashi Nath Jha	Joint Secretary
4	Shri N. K. Santoshi	DDG
5	Shri H. Kam Suanthang	Director (Admn/Vig)
6	Shri K. K. Srivastva	Director
7.	Shri Ram Sajeevan	Joint Director

REPRESENTATIVES OF PSU's/AUTONOMOUS INSTITUTES

1	Shri Jitender Kumar	Director, IPFT
2	Dr. Shishir Sinha	DG, CIPET
3	Shri Sajeev B.	CMD, HOCL and CMD
4	Shri S. P. Mohanty	CMD, HIL
5	Shri Deepesh Kumar Tiwari	Registrar, BGD

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) to the sitting of the Committee which was convened to take oral evidence of the Ministry on 'Demands for Grants 2022-23'. Drawing the attention of the witnesses to Direction 58 of the 'Directions by the Speaker' regarding confidentiality of the proceedings during deposition before the Parliamentary Committees, the Chairperson asked the Secretary, Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) to give an overview of the actual expenditure for the previous year (2021-22) and Budgetary provisions for the year 2022-23 for various programmes/activities/schemes and the plan of action on the part of the Ministry for optimal utilisation of the earmarked funds and maximum achievements in physical targets.

3. The representative of the Department of Chemicals and Petrochemicals through Power Point Presentation, *inter-alia* highlighted Business allocated to the Department, Vision Statement 2024, Government Initiatives for Promotion of Chemicals and Petrochemicals Sector, New Schemes of Petrochemicals (NSP), Chemical Promotion & Development Scheme (CDPS), National Petrochemicals Awards under CPDS, Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) Policy, Updated status on four PCPIRs, Organizations under the Department viz Autonomous Bodies like CIPET and IPFT, Statutory Bodies viz O/o Welfare Commissioner Bhopal, Bhopal Gas Leak Disaster (BGDL), Bhopal, Public Sector Undertakings viz HIL (India) Limited, New Delhi, Hindustan organic Chemicals Limited (HOCL), Navi Mumbai, Hindustan fluorocarbons Limited (HFL).

4. The representatives of the Ministry also responded to various queries raised by the Members which included Cash management System introduced by the Government in order to bring economy in expenditure of the Department, delay in the setting up of the Plastic Parks, reasons for rejection of a large number of application under CPDS for grant-in-aid, National Petrochemicals Awards, status of PCPIR at Gujarat (Dahej), Andhra Pradesh (Vishakhapatnam), Odisha (Paradeep) and Tamil Nadu (Cuddlore and Nagapattinam) disbursement of compensation in the Bhopal gas Leak disaster (BGLD), programmes being run by CIPET like Skill Development Academic Programme, R&D in the emerging areas of Petrochemicals Science & Technology for the growth of Petrochemicals industry, functioning of IPFT etc.

5. The Chairperson thanked the Secretary and other representatives of the Ministry for furnishing valuable information on the subject matter and responding to the queries of the Members.

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

The Committee then adjourned.

**STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2021-22)**

Minutes of the Sixth Sitting of the Committee

The Committee sat on Wednesday, the 16th March, 2022 from 1500 hrs. to 1545 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI ARUN SINGH- Chairperson (Acting)

MEMBERS

LOK SABHA

2. Shri Ramakant Bhargava
3. Shri Rajeshbhai Naranbhai Chudasama
4. Shri Ramesh Chandappa Jigajinagi
5. Shri Satyadev Pachauri
6. Smt Aparupa Poddar (Afrin Ali)
7. Dr. M.K.Vishnu Prasad
8. Dr. Sanjeev Kumar Singari
9. Shri Uday Pratap Singh
10. Shri Indra Hang Subba

RAJYA SABHA

11. Shri Ayodhya Rami Reddy Alla
12. Shri G.C.Chandrashekhar
13. Shri Jaiprakash Nishad
14. Shri Vijay Pal Singh Tomar
15. Shri K. Vanlalvena

SECRETARIAT

- | | | | |
|----|---------------------------|---|---------------------|
| 1. | Shri Vinod Kumar Tripathi | - | Joint Secretary |
| 2. | Shri Nabin Kumar Jha | - | Director |
| 3. | Shri C. Kalyanasundaram | - | Additional Director |
| 4. | Shri Kulvinder Singh | - | Deputy Secretary |
| 5. | Shri Panna Lal | - | Under Secretary |

2. Since the Chairperson of the Committee was unable to attend the sitting, the Committee chose Shri Arun Singh, MP to act as Chairperson for the sitting under Rule 258(3) of Rules of Procedure and Conduct of Business in Lok Sabha.

3. Thereafter the acting Chairperson welcomed the Members of the Committee to the sitting which was convened to consider and adopt four draft Reports. The Committee, then, took up for consideration and adoption of the following draft Reports:

(i) **xxx** **xxx** **xxx**

(ii) **xxx** **xxx** **xxx**

(iii) Demands for Grants 2022-23 of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals).

(iv) **xxx** **xxx** **xxx**

4. The Committee considered and adopted the Reports unanimously without any amendment.

5. The Committee then authorized the Chairperson to finalise the Reports and present them during the current session of the Parliament.

The Committee then adjourned