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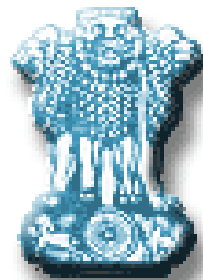
**STANDING COMMITTEE ON CHEMICALS & FERTILIZERS
(2021-22)**

(SEVENTEENTH LOK SABHA)

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

**Action Taken by the Government on the
Observations/Recommendations of the Committee contained in their
Thirty-Third Report (Seventeenth Lok Sabha) on 'Demands for
Grants (2022-2023)' of the Ministry of Chemicals and Fertilizers
(Department of Chemicals and Petrochemicals)**

THIRTY-SEVENTH REPORT



सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

August, 2022/ Sravana, 1944 (Saka)

THIRTY-SEVENTH REPORT

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(DEPARTMENT OF CHEMICALS AND PETROCHEMICALS)**

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Thirty-Third Report (Seventeenth Lok Sabha) on 'Demands for Grants
(2022-2023)' of the Ministry of Chemicals and Fertilizers (Department
of Chemicals and Petrochemicals)**

Presented to Lok Sabha on 08 August 2022

Laid in Rajya Sabha on 08 August 2022



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2022/ Sravana, 1944 (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 Bajj
5. Shri Ramakant Bhargava
6. Shri Prataprao Patil Chikhlikar
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 Anthiyur P. Selvarasu
26. Shri Arun Singh
27. Shri Vijay Pal Singh Tomar
28. Shri K. Vanlalvena
29. Vacant*
30. Vacant*
31. Vacant

SECRETARIAT

- | | | | |
|----|------------------------|---|------------------|
| 1. | Shri Vinay Kumar Mohan | : | Joint Secretary |
| 2. | Shri Nabin Kumar Jha | : | Director |
| 3. | Shri Kulvinder Singh | : | Deputy Secretary |

* Vacant *vice* Shri M.V. Shreyams Kumar (LJD), MP (RS) retired on 02.04.2022 from the Membership of Rajya Sabha. (RSS I.D. No. 1(2)/2019- Coord dated 18.01.2022).

* Vacant *vice* Shri Jaiprakash Nishad (BJP), MP (RS) retired on 04.07.2022 from the Membership of Rajya Sabha. (RSS I.D. No. 1(2)/2019- Coord dated 18.01.2022).

INTRODUCTION

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2021-2022) having been authorized by the Committee, do present on their behalf this Thirty-Seventh Report on Action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-Third Report (Seventeenth Lok Sabha) on 'Demands for Grants (2022-23)' pertaining to the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals).

2. The Thirty-Third Report was presented to Lok Sabha and laid in Rajya Sabha on 21st March, 2022. The Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) furnished their replies on 30th June, 2022 indicating Action Taken on the Observations/Recommendations contained in the Thirty-Third Report. The Committee considered and adopted the Draft Report at their sitting held on 4th August, 2022.

3. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Thirty-Third Report (Seventeenth Lok Sabha) of the Committee is given in **Appendix-II**.

4. For ease of reference, Observations/Recommendations of the Committee have been printed in bold letters in the Report.

New Delhi;
08 August, 2022
13 Sravana, 1944 (Saka)

KANIMOZHI KARUNANIDHI
CHAIRPERSON,
STANDING COMMITTEE ON
CHEMICALS & FERTILIZERS.

REPORT

CHAPTER I

This Report deals with the action taken by the Government on the Observations/ Recommendations of the Committee contained in their Thirty-Third Report (17th Lok Sabha) on 'Demands for Grants (2022-23)' of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals).

1.2 The Thirty-Third Report was presented to Lok Sabha and laid in Rajya Sabha on 21st March, 2022. It contained 20 Observations/Recommendations. Replies of Government in respect of all the Recommendations have been received and categorized as follows:-

(i) Observations/Recommendations which have been accepted by the Government:-

Sl. Nos.: 1, 3, 4, 5, 6, 7, 8, 9,10,11,13,14,15,17 and 19 (Total = 15)

These are included in Chapter II of the Report. Percentage: 75.00%

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply:-

Nil (Total = 0)

These are included in Chapter III of the Report. Percentage: 00.00%

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration:-

Sl. Nos.: 2, 12, 16, 18 and 20 (Total = 5)

These are included in Chapter IV of the Report. Percentage: 25.00%

(iv) Observations / Recommendations in respect of which final replies of the Government are still awaited:-

Nil (Total = 0)

These are included in Chapter V of the Report. Percentage: 00.00%

1.3 The Committee desire that the Action Taken Notes on the Observations / Recommendations contained in Chapter-I of this Report may be furnished expeditiously and not later than three months from the date of presentation of this Report.

1.4 The committee will now deal with some of their earlier Observations/ Recommendations which either require reiteration or merit further comments.

(Recommendation No. 1)

Proposed and Approved Allocations for the year 2022-23 of the Department of Chemicals and Petrochemicals

1.5 With regard to the Budgetary allocation for the Department, the Committee had recommended as follows:-

“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.”

Reply of the Government

1.6 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“ New Scheme of Petrochemicals (NSP)

The shortfall of ₹53.77 cr in the allocated budget as indicated above, the implementation of the ongoing ‘NSP; will not be affected as the proposal for the five new Plastic Parks has been put on hold by the Department of Expenditure (DoE). Hence, the projected requirement comes down to ₹66.27 cr for the ongoing projects, out of which, ₹48.50 crore have been allocated. In this regard, it is mentioned that the Department assures the Committee that it will plan the

allocation of funds in a way that no or minimal effect could be ensured to the implementation of the ongoing projects under the NSP and if required, it will take up the matter at appropriate level.

Central Institute of Petrochemical Engineering & Technology (CIPET)

Against the proposed BE 2022-23 of Rs.101.37 crore, an amount of Rs.100.24 crore was allocated to CIPET as Grant in aid for the CIPET schemes at BE 2022-23. However, the minor reduction of Rs. 1.13 Crore for CIPET is not likely to hamper and the allocated fund is adequate to meet the effective execution the schemes / projects during the year 2022-23. Further, since the scheme of Enriching Technical Infrastructure facilities & capabilities to meet industry needs is on the verge of completion, there is minimum allocation of fund for the scheme of “Enhancing capabilities in R&D and Technology Support at CIPET and the marginal cut of allocation of funds due to this, has not affected the functioning of CIPET.

Chemicals Promotion and Development Scheme (CPDS)

Department had requested Department of Expenditure to accord their approval for continuation of CPDS beyond 31.3.2021 and also to merge CPDS as sub-scheme with New Schemes of Petrochemicals (NSP) as an umbrella scheme. The objective of CPDS is to strive to develop the chemical and petrochemical sector in the country. The proposed budget outlay for the CPDS during 2021-22 to 2025-26 is given in the table below:

Sl. No.	Financial Year	Proposed outlay (₹ in crore)
1.	2021-22	3.60
2.	2022-23	6.15
3.	2023-24	6.25
4.	2024-25	6.30
5.	2025-26	6.40
Total		28.70

Department of Expenditure has conveyed their approval for continuation of CPDS beyond 31.3.2021. The proposal for merging CPDS as sub-scheme with New Schemes of Petrochemicals (NSP) as an umbrella scheme is under consideration in Finance Division.

For the FY 2022-23, an amount of Rs. 6.00 Crore was sought for CPDS. However, the amount of Rs.3.00 crore only has been allocated under Head of CPDS for 2022-23. As per the provisions of existing CPDS guidelines, Department sought proposals from Chemical and Petrochemical Divisions of this Department and the Industry Associations, to be organized under CPDS during the year 2022-23. Proposals for organizing various events worth Rs.7.48 crore have been received from various Industry Associations and PSUs & Autonomous Bodies of DCPC. A calendar of events to be organized under CPDS during 2022-23 has been finalized, with the approval of Secretary(C&PC). However, as per existing CPDS guidelines, an amount of Rs.3.49 crore only can be given for these events. In addition to above, funds will also be allocated for conducting studies as per the requirement of the Department. If required, the demand for additional funds will be made to Finance Division at RE Stage.”

1.7 New Schemes of Petrochemicals (NSP)

The Committee note that the New Scheme of Petrochemicals has two sub-schemes (i) Plastic Parks and (ii) Center of Excellence (CoE). The BE for the scheme was Rs 102.73 Crore but a meager amount of Rs. 48.50 Crore has been allocated. According to the Ministry, the shortfall of Rs. 53.77 Crore in the allocated budget would not affect the implementation of NSP as the proposal for the five new Plastic Parks has been put on hold by the Department of Expenditure (DoE). As such the projected requirement of funds for the NSP has now reduced to Rs. 66.27 Crore for the ongoing projects. In this regard, the Committee note that even if the requirement of funds for NSP has now been reduced to Rs. 66.27 Crore, the allocated funds of Rs. 48.50 Crore required for the scheme are still short of Rs. 17.77 Crore. As such the implementation of the scheme may be adversely affected. Against this background, the Department has submitted that it will ensure that the allocation of funds is planned in such a way that there is no or minimal effect on the implementation of the ongoing projects under NSP. The Committee would like to know about the steps to be taken/being taken by the Ministry (Department of Chemicals and Petrochemicals) in this regard.

Chemicals Promotion and Development Scheme (CPDS)

1.8 The Committee note that the Ministry of Finance, Department of Expenditure has been requested to accord their approval for continuation of CPDS beyond 31st March, 2021 and also to merge it as sub-scheme with the NSP, while the Department of Expenditure has conveyed their approval for continuation of CPDS beyond 31st March, 2022, the proposal for merging is under consideration in Finance Division. The Committee recommend that the matter may be pursued vigorously with the Finance Division at the highest level.

(Recommendation No. 2)

Budgetary Allocation and Utilization During 2019-20, 2020-21 and 2021-22

1.9 With regard to the Budgetary allocation and utilization, the Committee had recommended as follows:-

“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 is ₹ 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. “

Reply of the Government

1.10 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“ CIPET

The reduction of funds for CIPET schemes was due to various reasons like; non-allotment of land at J&K. The status and action taken with regard to J&K project is as under:

Initially, Govt. of J&K proposed to allot 15 kanals (1.875 acres) land near ITI, Zainakote. Since there was no positive response from Govt. of J&K after protracted follow up and correspondences, a proposal for shifting of the Centre to Jammu was deliberated in the 135th Governing Council (GC) meeting held on 13.03.2021. The G.C. approved the proposal subject to the agreement by J&K.

Hon'ble Minister of Chemicals & Fertilizers, Govt. of India vide D.O. letter dated 19.04.2021 has requested Lt. Governor of Jammu & Kashmir to approve the proposal by allotting land at Jammu and 50% of the project cost. Subsequently, the Secretary (C&PC) has written a D.O. letter dated 02.08.2021 to the Chief Secretary (J&K) for allotment of land and funds.

Govt. of J&K has agreed to allot 10 acres of land at Jammu and in this regard, a Committee comprising officials from DCPC and CIPET met DDC, Jammu on 01.11.2021 and inspected the site at Jagti Tehsil which was proposed for allotment to CIPET. The Committee after inspection found that the site is

unsuitable because of solid rocks which involve huge development work at the site and also less access route. The Committee also visited another site at Vijaypur which was also found to be unsuitable. In this regard, Deputy Secretary (PC), DCPC, Gol has written a letter dated 09.11.2021 to Principal Secretary, Deptt. of Skill Development, Govt. of J&K communicating the unsuitability of the identified lands and requested Jammu Administration either to construct the building and hostel on the proposed land at Jagti, Jammu as part of their contribution or to provide suitable land preferably nearer to the industrial area of Jammu where the site development cost would be minimal. Further, Secretary (C&PC), DCPC has written D.O. letter dated 19.05.2022 to the Chief Secretary to Govt. of J&K requesting to inform the exact location whether in Srinagar or in Jammu where the CIPET Centre is to be established so that funds can be utilized in time. Response from J&K Administration is awaited.

BGLD:

As regard BGLD, it is stated that an amount of Rs.22.06 crore was allocated to the Head of BGLD during 2021-22. Out of which, a provision of Rs.14.90 crore was made under the Sub-head of Action Plan (Ex-gratia) which was subsequently reduced to Rs.14.73 crore due to re-appropriations of funds to Professional Services. D/o Expenditure directed to impose a cut of 20% in this Sub-Head, accordingly, Rs.11.75 crore was demanded in Revised Estimates 2021-22. Reduction of amount in Revised Estimates in other Sub-Heads viz. Salary and Medical Treatment Head is due to demise of 02 employees, retirement and decrease in submission of medical claims respectively. Hence the total budget revised to Rs.18.53 Crore in RE 2021-22.

2. The revised amount under the Head of Action Plan (Ex-gratia) was fully disbursed to the beneficiaries in 2021-22. The actual expenditure was Rs.18.12 Crore during 2021-22.”

1.11 The Committee note that the BE of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) for the year 2021-22 was reduced from Rs. 233.14 Crore to 209.00 Crore at RE stage and according to the Ministry it is primarily due to reduction in allocation of fund for CIPET scheme and Bhopal Gas Leak Disaster (BGLD). An amount of Rs. 117.88 Crore which was allocated to CIPET has been reduced to Rs. 102.34 Crore which was due to reasons like non-allotment of land at Jammu etc. In this regard the Committee note with concern that ‘in-principle’ approval for establishment of CIPET Centre at Srinagar/Jammu was accorded way back in the year 2015. Thereafter, a series of meetings have been held between the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) and State Government of Jammu and Kashmir besides several inspection units to the land proposed for the CIPET Centre. However, nothing concrete has emerged out of the whole exercise after the lapse of about eight years. The Committee during

its recent study visit to Srinagar from 10.06.2022 to 15.06.2022 has also discussed the matter at length with officials of the Jammu & Kashmir and Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals). The Committee strongly recommend that the Ministry should initiate some concrete measures urgently and the matter be vigorously pursued with the Government of Jammu & Kashmir to bring it to logical conclusion without further loss of time. The Committee would like to be apprised of the steps taken in this regard.

(Recommendation No. 5)

Proposal of Five New Plastic Parks

1.12 With regard to the Proposal of Five New Plastic Parks, the Committee had recommended as follows:-

“ 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.”

Reply of the Government

1.13 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The Department of Expenditure and the Department of Economic Affairs have directed the Department to put on hold the current proposal for five new Plastic Parks till the ongoing parks under the scheme achieve completion. Accordingly, the Department has decided to direct its utmost efforts towards the effective implementation and completion of the ongoing projects. Once, the ongoing projects achieve completion and the scheme for Setting up of Plastic Parks achieve measurable success, the Department will then pursue the proposal for the 5 new Plastic Parks in more vigorous manner.”

1.14 **The Committee note with concern that the proposal to set up five new Plastic Parks till the year 2025-26 at a total budget outlay of Rs. 202.50 Crore has been put on hold by the Department of Expenditure and the Department of Economic Affairs, Ministry of Finance till the ongoing parks under the scheme achieve completion. The Committee further note that as on date Six Plastic Park viz (i) Tamot, Madhya Pradesh, (ii) Paradeep, Odisha, (iii) Tinsukia, Assam, (iv) Bilaua, Madhya Pradesh, (iv) Deoghar, Jharkhan and (vi) Thiruvallur, Tamil Nadu are under various stages of progress but none of the Plastic Park has reached finality due to slow progress. Consequently, the proposal to set up five new Plastic Parks has been put on hold. The Committee therefore, reiterates their earlier recommendation to review the progress of six ongoing Plastic Parks more vigorously and make them operational without further delay.**

(Recommendation No. 12)

Financial Achievements under Chemical Production and Distribution Scheme (CPDS)

1.15 With regard to CPDS, the Committee had recommended as follows:-

“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 as 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.”

Reply of the Government

1.16 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“An amount of Rs.3.00 crore was allocated in BE 2021-22 which was enhanced to Rs.3.60 Crore in RE 2021-22. Out of Rs.3.60 Crore, an amount of Rs.3.59 crore approx. was incurred during the financial year 2021-22.

2. A proposal to allocate Rs.6.00 crore under CPDS in BE 2022-23 was sent to Finance Division. However, an amount of Rs.3.00 crore only has been allocated in BE 2022-23 under CPDS. During current financial year, proposals of Rs.6.68 crore have been received from PSU/ABs of DCPC and various Industry Associations till date. The demand for additional funds will be made at RE Stage.

3. Approval of Department of Expenditure has been received for continuation of CPDS as a sub-scheme of New Scheme of Petrochemicals beyond 31st March, 2021 with proposed budget outlay of Rs.28.70 Crore during 2021-22 to 2025-26.

4. CPDS guidelines are being revised to grant financial support to eligible organizations for research to formulate future vision and plan of actions regarding R&D in Chemical and Petrochemical sector, etc. Financial support under CPDS may also be given to premier Universities/ Institutes/Autonomous Bodies/Centre of Excellence/ Industry associations for developing new technologies and process modifications etc. for promotion and development of the Chemical and Petrochemical Sector.”

1.17 The Committee in their original Report had opined that the Chemical Sector cannot be developed by providing grant-in-aid and awards only. The Committee had, therefore, recommended to explore ‘other ways’ also for the promotion and development of the Chemicals Sector. The Ministry has submitted

that CPDS guidelines are being revised to grant financial support to eligible organizations for research to formulate future vision and plan of actions regarding R&D in Chemical and Petrochemical sector. However, the committee feel that their concern for promotion and development of the Chemical sector by way of exploring other options besides grant-in-aid and awards may be given due consideration and, accordingly, reiterate that the Ministry must explore 'other ways' also for promotion and development of the Chemicals Sector in the country.

(Recommendation No. 16)

Plastic Waste Management Centre

1.18 With regard to Plastic Waste Management Centre, the Committee had recommended as follows:-

“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 there 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.”

Reply of the Government

1.19 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“Revision in Standard Operating Procedures (SOP) for establishment of Plastic Waste Management Centres (PWMC) is under process. However, the present status of establishment of PWMCs in respect of Ahmedabad, Bengaluru, Patna and Varanasi is as follows:

S. No.	Centre	Status
1.	PWMC, Ahmedabad	1. 20.08.2021: During meeting, Municipal commissioner has asked about tangible benefit to Ahmedabad Municipal Corporation from the project and expressed his constrains to allot Land and infrastructure due to very high market rate of land near waste dumping site (i.e proposed location of PWMC). 2. 28.08.2021: Dy. Municipal commissioner office asked

		<p>justification for proposed investment of AMC in tune of approximately rupees 60 crore towards land & infrastructure for 10-12 tone waste recycling proposed by CIPET.</p> <p>3. 08.09.2021: Letter addressing their query was sent as the land requirement of 5 acre is huge for city limit, it may be considered for minimum 3 acres of land for PWMC. AMC is looking for industrial scale solid waste recycling plant to handle 1000 tonnes per day, they are least interested for small capacity of 10 tonnes plant. CIPET:IPT-Ahmedabad suggests to grand ownership of land with infrastructure to municipal corporation/ state government so that they may be interested to allot the land for PWMC.</p>
2.	PWMC, Bengaluru	<p>1. 06.04.2021: Request Letter has sent to BBMP Chief Commissioner by Additional Secretary, MoC&F and DG, CIPET to allot and handover of land with pre- fabricated shed along with other facilities.</p> <p>2. Joint Commissioner, and BBMP Head informed that Gov. of Karnataka has alternate plans for the earmarked land and 05 acres of land is not available at the earlier identified site.</p> <p>3. Oct. 2021: Another, proposed land at Goddenahalli was a non-uniform quarry land and found to be not suitable for intended purpose and same was communicated to JS, BBMP Head Office.</p> <p>4. Oct. 2021: Additional Secretary, MoC&F, directed CIPET HO to communicate to DCPC to write a letter to Chief Secretary, Gov. of Karnataka.</p> <p>5. CIPET HO proposed to submit a revised SOP to Administrative Ministry DCPC.</p>
3.	PWMC, Patna	<p>1. Land requirement may be reduced to 2.5 – 3 acres instead of 5 acres.</p> <p>2. PMC may be asked to operate, maintain and safe keeping of plant and machinery of the PWMC after successful installation and commissioning by CIPET as PMC has to play a major role in getting the raw material for viable operation of the plant.</p> <p>3. CIPET shall extend support as technical partner during the project period.</p> <p>4. SOP is to be modified with reasonable revenue sharing model among CIPET, PMC and the industry partner to attract good and viable proposal from the industry.</p>
4.	PWMC, Varanasi	<p>1. 17th November 2021: Shri Navneet Sehgal I.A.S, Addl. Chief Secretary, Handloom, has given directives to District Magistrate Varanasi to complete the necessary procedures pertaining to the handover of 2.2 acres of land adjacent to CIPET site for the establishment of PWMC at Varanasi.</p>

		<p>2. Subsequently, CIPET:CSTS official interaction with District Magistrate and Labour Commissioner it was found that 12.22 Acre of land is already transferred from the department of Handloom and Textile to Labour Department including this piece of land through Cabinet approval from Govt. of U.P for the construction of Atal Awasiya Vidyalaya.</p> <p>10th Dec. 2021: Additional Chief Secretary informed to Principal Director, CIPET:CSTS-Varanasi that this matter has already gone for the cabinet approval to transfer 2.2 Acres of land to CIPET from 12.22 Acres of land.</p>
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1.20 The Committee note that the Ministry had a proposal to set up one Plastic Waste Management Centre (PWMC) in Ahmedabad, Patna, Varanasi and Bengaluru. However, due to one reason or the other, the Ministry has so far not been able to set up the PWMC in any of these cities despite a number of sittings, request letters, etc. The Ministry has informed that revision in Standard Operating Procedures (SoP) for establishment of PWMC is under process. The Committee, therefore, recommend that the SoP be revised at the earliest so as to facilitate speedy setting up of the proposed PWMCs.

(Recommendation No.18)

Removal of Toxic Waste

1.21 With regard to Removal of Toxic Waste from Bhopal Gas Leakage Site, the Committee had recommended as follows:-

“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.”

Reply of the Government

1.22 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“ The GoM, in its meeting of 18-21st June, 2010, had recommended that the 350 MT of toxic waste of Union Carbide India Ltd (UCIL) be disposed of at Pithampur incinerator. GoM also recommended that remediation cost of approximately Rs. 310 crore is to be borne by Govt. of India, in the first instance. The same was approved by the Cabinet on 24th June, 2010.

2. As per Union Cabinet's decision, incineration of stored hazardous wastes etc. (approximate 350 MT), inviting global tenders for different remediation activities, selection and finalization of contractors to carry out different remediation activities and completion of all remediation actions are the responsibility of GoMP. As regards release of Rs. 310 crore for remediation and waste disposal works, the Union Cabinet fixed the responsibility on Department of Expenditure, GoMP and M/o EF&C. As per the decision of Cabinet, an Oversight Committee at the level of the Government of India was constituted on 15th July, 2010, in the Ministry of Environment and Forests to provide oversight and support to the Govt. of Madhya Pradesh (GoMP) in taking the necessary remedial action. This Oversight Committee is headed by the Minister of Environment and Forest, Government of India and co-chaired by the Minister of Gas Relief, Government of Madhya Pradesh. Govt. of Madhya Pradesh was requested to prepare a comprehensive proposal with an execution plan for disposal of the remaining waste at the site.

3. Govt. of Madhya Pradesh (GoMP) vide letter dated 03.02.2022 has informed that it has floated tender for the purpose. In response to the tender, bids amounting Rs.126.08 Crore from M/s Pithampur Industrial Waste Management Private Limited and Rs.154.54 Crore from M/s Century Eco Solutions India Pvt Ltd. were received. After technical and financial evaluation of bids, M/s Pithampur Industrial Waste Management Private Limited has been found to be L1 and it has been proposed that it may be selected for carrying out the disposal of toxic waste. The Committee formed for selection of bidder included the Members of State Govt. of M.P., Central Pollution Control Board (CPCB) and Madhya Pradesh Pollution Control Board (MPPCB). GoMP has requested Govt. of India to release an amount of Rs.126.08 Crore for the purpose.

4. As per the decision of Cabinet, the proposal is to be endorsed by the Oversight Committee before requesting Dept. of Expenditure for release of funds. The proposal received from GoMP has been forwarded to M/o EF&CC on 30th March 2022 for consideration and endorsement by Oversight Committee.”

1.23 The Committee in its original report had noted 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 has still not been resolved.

According to the Ministry, as per the decision of Cabinet the proposal received from the Government of Madhya Pradesh to carry out the disposal of toxic waste is to be endorsed by the oversight Committee before requesting Department of Expenditure for release of Funds. In this context, the Committee desires to know the present status of proposal sent by State Government of Madhya Pradesh to the Ministry of Environment, Forests and Climate Change.

(Recommendation No. 20)

Petroleum, Chemicals & Petrochemical Investment Regions (PCPIR)

1.24 With regard to PCPIR, the Committee had recommended as follows:-

“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.”

Reply of the Government

1.25 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The Department has taken a note of the suggestions of the Committee and it has been taking up the matter with State Governments to speed up the process of establishing PCPIRs in a time bound manner. For this purpose, the Department has recently reviewed the progress of the three PCPIRs and teams from the Department have visited the three PCPIRs at Dahej, Vishakhapatnam, and Paradeep. Based on the inputs received from the State Governments, the Department will review the PCPIR Policy, 2007 to make it more effective.”

1.26 **With regard to PCPIRs, the Committee in their original report had noted that even the basic issues like approval of Master Plans and Environment Impact assessment have not been completed even after lapse of about 12 to 13 years of the inception of PCPIRs. The Committee had also noted about the employment generation for 33.83 lakh people and attracting investment of Rs. 7.63 lakh Crore. However, in the Action Taken Reply there is no specific mention of any concrete steps taken by Ministry for time bound or early review of the PCPIR Policy, 2007 so as to ensure employment generation and investment, as aforesaid. The Committee, therefore, express their serious concern on not considering most major issues raised in the original report and simply submitting that “progress of the three PCPIRs at Dahej, Vishakhapatnam and Paradeep has been reviewed and based on the inputs received from the State Governments, the PCPIR Policy, 2007 would be reviewed to make it more effective.” The Committee take note of inordinate delay in establishment of PCPIRs at Dahej, Vishakhapatnam, Paradeep and Cuddalore, and recommend immediate concrete steps should be initiated by the Ministry to expedite in review of PCPIR policy and establishment of PCPIRs so as to facilitate employment generation for 33.83 lakh People and attracting investment of Rs. 7.63 lakh Crore.**

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CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation No. 1)

Proposed and Approved Allocations for the year 2022-23 of the Department of Chemicals & Petrochemicals

2.1 With regard to the Budgetary allocation for the Department, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.2 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“New Scheme of Petrochemicals (NSP)

The shortfall of ₹53.77 cr in the allocated budget as indicated above, the implementation of the ongoing ‘NSP; will not be affected as the proposal for the five new Plastic Parks has been put on hold by the Department of Expenditure (DoE). Hence, the projected requirement comes down to ₹66.27 cr for the ongoing projects, out of which, ₹48.50 crore have been allocated. In this regard, it is mentioned that the Department assures the Committee that it will plan the allocation of funds in a way that no or minimal effect could be ensured to the implementation of the ongoing projects under the NSP and if required, it will take up the matter at appropriate level.

Central Institute of Petrochemical Engineering & Tchnology (CIPET)

Against the proposed BE 2022-23 of Rs.101.37 crore, an amount of Rs.100.24 crore was allocated to CIPET as Grant in aid for the CIPET schemes at BE 2022-23. However, the minor reduction of Rs. 1.13 Crore for CIPET is not likely to hamper and the allocated fund is adequate to meet the effective execution the schemes / projects during the year 2022-23. Further, since the scheme of Enriching Technical Infrastructure facilities & capabilities to meet industry needs is on the verge of completion, there is minimum allocation of fund for the scheme of “Enhancing capabilities in R&D and Technology Support at CIPET and the marginal cut of allocation of funds due to this, has not affected the functioning of CIPET.

Chemicals Promotion and Development Scheme (CPDS)

Department had requested Department of Expenditure to accord their approval for continuation of CPDS beyond 31.3.2021 and also to merge CPDS as sub-scheme with New Schemes of Petrochemicals (NSP) as an umbrella scheme. The objective of CPDS is to strive to develop the chemical and petrochemical sector in the country. The proposed budget outlay for the CPDS during 2021-22 to 2025-26 is given in the table below:

Sl. No.	Financial Year	Proposed outlay (₹ in crore)
1.	2021-22	3.60
2.	2022-23	6.15
3.	2023-24	6.25
4.	2024-25	6.30
5.	2025-26	6.40
Total		28.70

2. Department of Expenditure has conveyed their approval for continuation of CPDS beyond 31.3.2021. The proposal for merging CPDS as sub-scheme with New Schemes of Petrochemicals (NSP) as an umbrella scheme is under consideration in Finance Division.

3. For the FY 2022-23, an amount of Rs. 6.00 Crore was sought for CPDS. However, the amount of Rs.3.00 crore only has been allocated under Head of CPDS for 2022-23. As per the provisions of existing CPDS guidelines, Department sought proposals from Chemical and Petrochemical Divisions of this

Department and the Industry Associations, to be organized under CPDS during the year 2022-23. Proposals for organizing various events worth Rs.7.48 crore have been received from various Industry Associations and PSUs & Autonomous Bodies of DCPC. A calendar of events to be organized under CPDS during 2022-23 has been finalized, with the approval of Secretary(C&PC). However, as per existing CPDS guidelines, an amount of Rs.3.49 crore only can be given for these events. In addition to above, funds will also be allocated for conducting studies as per the requirement of the Department. If required, the demand for additional funds will be made to Finance Division at RE Stage.”

Comments of the Committee

(Please see Para No. 1.7 & 1.8 of Chapter – I of the Report)

(Recommendation No. 3)

Utilisation of Funds Under New Schemes of Petrochemicals (NSP) For 2021-22.

2.3 With regard to Utilisation of Funds Under NSP for 2021-22, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.4 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The Department is pleased to state that as assured, it has released the entire amount of ₹51.13 Crore allocated as RE under the New Scheme of Petrochemicals for the FY 2021-22 till 31.03.2022.”

(Recommendation No. 4)

Drastic Cut in BE (2022-23) of NSP

2.5 With regard to Drastic Cut in BE (2022-23) of NSP, the Committee had recommended as follows:-

“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 analyse 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.”

Reply of the Government

2.6 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“As informed earlier, the Department had proposed ₹102.27 Crore with an amount of ₹66.27 Crore for the ongoing projects and ₹36.00 Crore for the new proposed projects under NSP. Since, the proposal for the five new Plastic Parks has been put on hold by the DoE, hence, the projected requirement comes down to ₹66.27 Crore for the ongoing projects, out of which, ₹48.50 crore have been allocated. In this regard, it is mentioned that the Department will ensure that the allocation of funds is planned in such a way that there is no or minimal effect to the implementation of the ongoing projects under the NSP.”

(Recommendation No. 5)

2.7 With regard to the Proposal of Five New Plastic Parks, the Committee had recommended as follows:-

“ 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.”

Reply of the Government

2.8 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“ The Department of Expenditure and the Department of Economic Affairs have directed the Department to put on hold the current proposal for five new Plastic Parks till the ongoing parks under the scheme achieve completion. Accordingly, the Department has decided to direct its utmost efforts towards the effective implementation and completion of the ongoing projects. Once, the ongoing projects achieve completion and the scheme for Setting up of Plastic Parks achieve measurable success, the Department will then pursue the proposal for the 5 new Plastic Parks in more vigorous manner.”

Comments of the Committee

(Please see Para No. 1.14 of Chapter – I of the Report)

(Recommendation No. 6)

Revisiting the policy of Plastic Parks.

2.9 With regard to Revisiting the policy of Plastic Parks, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.10 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The Department has approved two Plastic Parks at Ganjimutt, Karnataka and Gorakhpur, Uttar Pradesh based on the revised Scheme Guidelines. Since, the approvals have been granted recently, hence, the outcomes of the revised guidelines in these two parks will take time to get reflected. Further, as per best practices, the ongoing parks were suggested to provide land on lease/rent basis and as a result of these provisions, the pace of progress in terms of allotment of plots has picked up across the parks.”

(Recommendation No. 7)

Delay in establishment in Plastic Parks at Paradip Odisha and Assam.

2.11 With regard to delay in establishment in Plastic Parks at Paradip Odisha and Assam, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.12 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The Department has taken various steps to ensure success of its Plastic Parks being implemented in Odisha and Assam. Steps and provisions like allotment of land at subsidized prices; availability of feedstock/ raw material from PSUs at subsidized rates, etc. have now started to show positive results. Around 19 plots have been allotted at the Paradeep Plastic Park at Odisha and around 44 plots and 10 sheds have been allotted at the Assam Plastic Park. Further, the Department is hopeful that a majority of the available plots at these two parks will be allotted by the end of the ongoing financial year.”

(Recommendation No. 8)

Location of Plastic Parks

2.13 With regard to the Location of Plastic Parks, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.14 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“As mentioned in the reply to Recommendation No. 7, the Department has provided various suggestions to the authorities looking after the Assam Plastic Park for the speedy and effective implementation of the project. Due to the efforts of the Department and the AIDC (authority implementing the project of the Assam Plastic Park), the pace of progress in the recent times has taken an upward curve and AIDC has informed that they have achieved around 75% progress in terms of development of physical infrastructure and has also allotted around 44 plots out of the total planned 104 plots. In addition to the plots, AIDC has also allotted around 10 sheds based on the Plug & Play model to various units. “

(Recommendation No. 9)

Centres of Excellence (CoEs).

2.15 With regard to CoEs, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.16 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The Department decided to reduce the sanction amount of ₹6.00 Crore per Centre of Excellence to ₹5.00 Crore based on the proposed demands from new probable Centers. Further, the Department aspired to promote the role of Industry in the scheme and accordingly gives priority to the proposal which have a considerable amount of connect and contribution from the industry. Since the scheme envisages contributions from the institute and its industry partners, hence, the amount of ₹5.00 Crore was considered appropriate.”

(Recommendation No. 10)

“Chemicals Promotion and Development Scheme (CPDS).

2.17 With regard to CPDS, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.18 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The guidelines of the Scheme are available in the public domain on the website of the Department. In the start of financial year, main organizations/ industry associations 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 are found to be in consonance with the objectives of the scheme, are provided financial support as per the provisions of the CPDS guidelines during the financial year. Under the Component-II – Knowledge dissemination, proposals received from Government agencies, Autonomous bodies/PSUs under the Department, associations of industry in chemicals and petrochemicals sector, are considered. Department has also considered the proposals received from such specialized organizations which have been working in the sector for at least five years and have successfully organized Knowledge Dissemination events in the past. The proposals received from the organisations, who do not fulfil the criteria of CPDS for getting grant-in-aid, have been rejected. During current financial year 2022-23, proposals of Rs.6.68 crore have been received from PSU/ABs of DCPC and various Industry Associations till date.

2. Department of Expenditure has approved the continuation of CPDS as a sub-scheme of New Scheme of Petrochemicals beyond 31st March, 2021 with proposed budget outlay of Rs.28.70 Crore during 2021-22 to 2025-26. After receiving the approval from Deptt. of Expenditure on 22.3.2022, financial sanctions of Rs.1.83 Crore were issued till 31.3.2022. Out of Rs.3.60 Crore allocated to CPDS in RE 2021-22, an amount of Rs.3.59 Crore was incurred during the financial year 2021-22.”

(Recommendation No.11)

Granting of Awards under CPDS.

2.19 With regard to Granting of Awards under CPDS, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.20 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The decline in the number of awardees has been considered as an indicator to the decline in the innovations in the field. The Department has also taken note of the declining numbers has put in efforts to expand the reach of the awards. The guidelines have also been revised keeping in view the time and demand driven changes in the policy. At present, the Department is focusing on expanding the outreach of the awards and also promoting fresh talent in the field of R&D and innovation in the petrochemicals sector. “

(Recommendation No. 13)

Enrollment under various programme of CIPET.

2.21 With regard to Enrollment under various programme of CIPET, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.22 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“In the long term courses 13494 Students/ candidates (which includes students studying in 1st , 2nd , 3rd , 4th and 5th year courses in Post Diploma/ Post Graduate Diploma/ Diploma/ UG/PG programmes (all programmes & all years) offered at CIPET Centres. Out of this, 4390 candidates studying in final year (in each programme) of which 3672 candidates completed their respective courses in stipulated time period without backlog.

Due to pandemic (COVID-19) restrictions, most of the training programmes were halted (by adhering the guidelines issued by respective state government / district administration) because of which the commenced and halted training programme could not be completed in time, accordingly there was delay in completion of the training programme. Subsequently the candidates provided with placement opportunities were unable to join the industry due to lockdown/ closure of industries. Upon relaxation of COVID-19 restrictions CIPET centres has resumed the halted training programme, and subsequently providing suitable employment opportunities to the candidates successfully completing the training programme.

All the CIPET centres have dedicated placement cell to provide employment/ placement to the Students/ candidates. Further, CIPET Centres have initiated to sign the Memorandum of Understanding (MoU) with prominent Industries at their region for employment of CIPET Students.”

(Recommendation No. 14)

BE, RE and Actual Expenditure of CIPET During Previous Years.

2.23 With regard to BE, RE and Actual Expenditure of CIPET during Previous Years, the Committee had recommended as follows:-

“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. “

Reply of the Government

2.24 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The entire amount of Rs. 102.34 crore allocated to CIPET at RE stage were released to CIPET by the end of FY 2021. CIPET Centres have commenced the offline training programmes for the ongoing even semester (January 2022 to June 2022). CIPET centres are informed to conduct extra classes to compensate the missed out practical training during online classes of previous Semesters.

CIPET Centres are promoting the various activities carried out at their Centres through Newspaper advertisement, active participation in Social Media viz., Face book / Twitter posts, Digital marketing , Industry meet, Webinars, TV/Radio advertisements , distribution of admission pamphlets, participation in regional melas / Job fair.”

(Recommendation No. 15)

R&D in CIPET.

2.25 With regard to R&D in CIPET, the Committee had recommended as follows:-

“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.”

Reply of the Government

2.26 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“CIPET has classified its centres into 3 categories on the basis of its infrastructure, location, industry participation and the activities & programs.

- Institute of Petrochemicals Technology (IPT): IPT centres are established in-line to the requirements for the offering of UG/PG, Diploma programs, Short Term Skill Development Training Program and Technical Support Services to the Petrochemical & Allied Industries.
- Centre for Skilling and Technical Support (CSTS): CSTS centres are established in-line to the requirements for the offering of Diploma programs, Short Term Skill Development Training and Technical Support Services to the Petrochemical & Allied Industries.
- School for Advanced Research in Petrochemicals (SARP): CIPET has established 03 research centers which are on par with international standards; thus enabling frontline researchers to execute their research goals in-line with the needs of the regions of the country.

For carrying out R&D activities in all the 45 centres of CIPET, a huge investment for state-of-the-art with excellent facilities in the field of R & D and the recruitment of suitable enough number of scientists shall be needed. Instead of diluting our focus on R&D by carrying out research in all centres, we are focussing only on 3 centres which have prime mandate to do R & D works.

Further steps are being taken to carry out research 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.”

(Recommendation No. 17)

Bhopal Gas Leak Disaster (BGLD)

2.27 With regard to Bhopal Gas Leak Disaster (BGLD), the Committee had recommended as follows:-

“The Committee note that during 2019-2020 that BE was revised upwards to ₹ 27.95 crore but the actual expenditure was ₹ 23.61 crore. 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 crore 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 succour to them.”

Reply of the Government

2.28 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The Office of Welfare Commissioner, Bhopal Gas Victims, Bhopal disburse ex-gratia amount to the claimants on submission of applications by the claimants who has suffered due to disaster, by the tribunals. Tribunals are bound to consider the matter judiciously. Tribunals also take care of the fact that no fictitious or fraudulent claimants can get the amount which he does not deserve. Any issue involved in the payment of ex-gratia is resolved without any delay.”

(Recommendation No. 19)

Import and Export of Major Chemicals and Petrochemicals.

2.29 With regard to Import and Export of Major Chemicals and Petrochemicals, the Committee had recommended as follows:-

“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 decreases 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 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. “

Reply of the Government

2.30 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“1. To boost exports of Chemicals and Petrochemicals **Remission of Duties and Taxes on Exported Products (RODTEP)** scheme has been introduced. At the same time to decrease in imports and to follow Mission Atma Nirbhar Bharat following step is taken:

There has been huge quantity of sub-standard Chemicals and Petrochemicals import was taking place. To restrict the same, non-tariff measures have been adopted by the Government.

2. The Department has taken following steps to reduce import dependence:

PCPIR policy re-engineering is in process to facilitate investment and promote sector wise domestic production of speciality chemicals, polymers etc. The Project Development Cell has been set up to:

I. To create projects with all approvals, land available for allocation and with complete Detailed Project Reports for adoption/ investment by investors.

II. To identify issues that need to be resolved in order to attract and finalise the investments and put forth these before the Empowered Group.

3. To achieve self-sufficiency in the production of various grades of polymers and co-polymers, the Department is in process of finalizing the perspective plan to formulate policy for growth of Petrochemical sector. The plan highlights the likely demand-supply scenarios over the next 10-15 years and would also present options to meet the gap between domestic demand and supply.

Various steps have been taken to increase growth of the chemical sector by rationalization of custom duty on the feedstock/building blocks/Intermediates for having synergy in the complete value chain. Department of Chemicals and Petrochemicals has set the Vision to seize the opportunity to establish India as a leading chemicals & petrochemicals manufacturing hub with a thrust on reduction in import dependency, by attracting investments for manufacturing quality products using cutting-edge technologies in specified clusters with focus on sustainability.

To promote the Indian chemical and petrochemical industry, Department of Chemicals & Petrochemicals (DCPC), jointly with Federation of Indian Chambers of Commerce & Industry (FICCI), organizes mega “India Chem” event every alternate year, since the year 2000. It provides common platform to the Indian and international manufacturers, academia and researchers to exchange their views on latest technological development taking places in the sector, which facilitates future trend and growth of the industry. 11th edition of India-Chem conference was organized in March, 2021, at New Delhi.

To promote the industry and attract investments, the Department has also organized GCPMH (Global Chemicals & Petrochemicals Manufacturing Hub), an international event focusing on development of PCPIRs, during 25-26 November, 2021. Also, Project Development Cell has been set up in the Department of chemical and petrochemicals to identify potential projects, conduct regular investor outreach programs along with facilitation to enhance investments in this sector.”

CHAPTER III

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

-NIL-

CHAPTER IV

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

(Recommendation No. 2)

Budgetary Allocation & Utilization During 2019-20, 2020-21 and 2021-22.

4.1 With regard to the Budgetary allocation and utilization, the Committee had recommended as follows:-

“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 is ₹ 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.”

Reply of the Government

4.2 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“CIPET

The reduction of funds for CIPET schemes was due to various reasons like; non-allotment of land at J&K. The status and action taken with regard to J&K project is as under:

Initially, Govt. of J&K, proposed to allot 15 kanals (1.875 acres) land near ITI, Zainakote. Since there was no positive response from Govt. of J&K after protracted follow up and correspondences, a proposal for shifting of the Centre to Jammu was deliberated in the 135th Governing Council (GC) meeting held on 13.03.2021. The G.C. approved the proposal subject to the agreement by J&K.

Hon'ble Minister of Chemicals & Fertilizers, Govt. of India vide D.O. letter dated 19.04.2021 has requested Lt. Governor of Jammu & Kashmir to approve the proposal by allotting land at Jammu and 50% of the project cost. Subsequently, the Secretary (C&PC) has written a D.O. letter dated 02.08.2021 to the Chief Secretary (J&K) for allotment of land and funds.

Govt. of J&K has agreed to allot 10 acres of land at Jammu and in this regard, a Committee comprising officials from DCPC and CIPET met DDC, Jammu on 01.11.2021 and inspected the site at Jagti Tehsil which was proposed for allotment to CIPET. The Committee after inspection found that the site is unsuitable because of solid rocks which involve huge development work at the site and also less access route. The Committee also visited another site at Vijaypur which was also found to be unsuitable. In this regard, Deputy Secretary (PC), DCPC, Gol has written a letter dated 09.11.2021 to Principal Secretary, Deptt. of Skill Development, Govt. of J&K communicating the unsuitability of the identified lands and requested Jammu Administration either to construct the building and hostel on the proposed land at Jagti, Jammu as part of their contribution or to provide suitable land preferably nearer to the industrial area of Jammu where the site development cost would be minimal. Further, Secretary (C&PC), DCPC has written D.O. letter dated 19.05.2022 to the Chief Secretary to Govt. of J&K requesting to inform the exact location whether in Srinagar or in Jammu where the CIPET Centre is to be established so that funds can be utilized in time. Response from J&K Administration is awaited.

BGLD:

As regard BGLD, it is stated that an amount of Rs.22.06 crore was allocated to the Head of BGLD during 2021-22. Out of which, a provision of Rs.14.90 crore was made under the Sub-head of Action Plan (Ex-gratia) which was subsequently reduced to Rs.14.73 crore due to re-appropriations of funds to Professional Services. D/o Expenditure directed to impose a cut of 20% in this Sub-Head, accordingly, Rs.11.75 crore was demanded in Revised Estimates 2021-22. Reduction of amount in Revised Estimates in other Sub-Heads viz. Salary and Medical Treatment Head is due to demise of 02 employees, retirement and decrease in submission of medical claims respectively. Hence the total budget revised to Rs.18.53 Crore in RE 2021-22.

The revised amount under the Head of Action Plan (Ex-gratia) was fully disbursed to the beneficiaries in 2021-22. The actual expenditure was Rs.18.12 Crore during 2021-22.”

Comments of the Committee

(Please see Para No. 1.11 of Chapter – I of the Report)

(Recommendation No.12)

Financial Achievements under Chemical Production and Distribution Scheme (CPDS)

4.3 With regard to CPDS, the Committee had recommended as follows:-

“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 ₹6.00 Crore 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.”

Reply of the Government

4.4 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“An amount of Rs.3.00 crore was allocated in BE 2021-22 which was enhanced to Rs.3.60 Crore in RE 2021-22. Out of Rs.3.60 Crore, an amount of Rs.3.59 crore approx. was incurred during the financial year 2021-22.

2. A proposal to allocate Rs.6.00 crore under CPDS in BE 2022-23 was sent to Finance Division. However, an amount of Rs.3.00 crore only has been allocated in BE 2022-23 under CPDS. During current financial year, proposals of Rs.6.68 crore have been received from PSU/ABs of DCPC and various Industry Associations till date. The demand for additional funds will be made at RE Stage.

3. Approval of Department of Expenditure has been received for continuation of CPDS as a sub-scheme of New Scheme of Petrochemicals beyond 31st March, 2021 with proposed budget outlay of Rs.28.70 Crore during 2021-22 to 2025-26.

4. CPDS guidelines are being revised to grant financial support to eligible organizations for research to formulate future vision and plan of actions regarding R&D in Chemical and Petrochemical sector, etc. Financial support under CPDS may also be given to premier Universities/ Institutes/Autonomous Bodies/Centre of Excellence/ Industry associations for developing new technologies and process modifications etc. for promotion and development of the Chemical and Petrochemical Sector.”

Comments of the Committee

(Please see Para No. 1.17 of Chapter – I of the Report)

(Recommendation No. 16)

Plastic Waste Management Centre.

4.5 With regard to Plastic Waste Management Centre, the Committee had recommended as follows:-

“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 there 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.”

Reply of the Government

4.6 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“Revision in Standard Operating Procedures (SOP) for establishment of Plastic Waste Management Centres (PWMC) in under process. However, the present status of establishment of PWMCs in respect of Ahmedabad, Bengaluru, Patna and Varanasi is as follows:

S. No.	Centre	Status
1.	PWMC, Ahmedabad	4. 20.08.2021: During meeting, Municipal commissioner has asked about tangible benefit to Ahmedabad Municipal Corporation from the project and expressed his constrains to allot Land and infrastructure due to very high market rate of land near waste dumping site (i.e proposed location of PWMC).

		<p>5. 28.08.2021: Dy. Municipal commissioner office asked justification for proposed investment of AMC in tune of approximately rupees 60 crore towards land & infrastructure for 10-12 tone waste recycling proposed by CIPET.</p> <p>6. 08.09.2021: Letter addressing their query was sent as the land requirement of 5 acre is huge for city limit, it may be considered for minimum 3 acres of land for PWMC.</p> <p>7. AMC is looking for industrial scale solid waste recycling plant to handle 1000 tonnes per day, they are least interested for small capacity of 10 tonnes plant. CIPET:IPT-Ahmedabad suggests to grand ownership of land with infrastructure to municipal corporation/ state government so that they may be interested to allot the land for PWMC.</p>
2.	PWMC, Bengaluru	<p>6. 06.04.2021: Request Letter has sent to BBMP Chief Commissioner by Additional Secretary, MoC&F and DG, CIPET to allot and handover of land with pre- fabricated shed along with other facilities.</p> <p>7. Joint Commissioner, and BBMP Head informed that Gov. of Karnataka has alternate plans for the earmarked land and 05 acres of land is not available at the earlier identified site.</p> <p>8. Oct. 2021: Another, proposed land at Goddenahalli was a non-uniform quarry land and found to be not suitable for intended purpose and same was communicated to JS, BBMP Head Office.</p> <p>9. Oct. 2021: Additional Secretary, MoC&F, directed CIPET HO to communicate to DCPC to write a letter to Chief Secretary, Gov. of Karnataka.</p> <p>10. CIPET HO proposed to submit a revised SOP to Administrative Ministry DCPC.</p>
3.	PWMC, Patna	<p>5. Land requirement may be reduced to 2.5 – 3 acres instead of 5 acres.</p> <p>6. PMC may be asked to operate, maintain and safe keeping of plant and machinery of the PWMC after successful installation and commissioning by CIPET as PMC has to play a major role in getting the raw material for viable operation of the plant.</p> <p>7. CIPET shall extend support as technical partner during the project period.</p> <p>8. SOP is to be modified with reasonable revenue sharing model among CIPET, PMC and the industry partner to attract good and viable proposal from the industry.</p>
4.	PWMC, Varanasi	<p>4. 17th November 2021: Shri Navneet Sehgal I.A.S, Addl. Chief Secretary, Handloom, has given directives to District Magistrate Varanasi to complete the necessary procedures pertaining to the handover of 2.2 acres of land adjacent to CIPET site for the establishment of PWMC at Varanasi.</p> <p>5. Subsequently, CIPET:CSTS official interaction with District Magistrate and Labour Commissioner it was found that 12.22 Acre of land is already transferred from the department of Handloom and Textile to Labour Department including this piece of land through Cabinet approval from Govt. of U.P for the construction of Atal Awasiya Vidyalaya.</p>

		10 th Dec. 2021: Additional Chief Secretary informed to Principal Director, CIPET:CSTS-Varanasi that this matter has already gone for the cabinet approval to transfer 2.2 Acres of land to CIPET from 12.22 Acres of land.
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Comments of the Committee

(Please see Para No. 1.20 of Chapter – I of the Report)

(Recommendation No.18)

Removal of Toxic Waste.

4.7 With regard to Removal of Toxic Waste from Bhopal Gas Leakage Site, the Committee had recommended as follows:-

“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.”

Reply of the Government

4.8 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

“The GoM, in its meeting of 18-21st June, 2010, had recommended that the 350 MT of toxic waste of Union Carbide India Ltd (UCIL) be disposed of at Pithampur incinerator. GoM also recommended that remediation cost of approximately Rs. 310 crore is to be borne by Govt. of India, in the first instance. The same was approved by the Cabinet on 24th June, 2010.

2. As per Union Cabinet’s decision, incineration of stored hazardous wastes etc. (approximate 350 MT), inviting global tenders for different remediation activities, selection and finalization of contractors to carry out different remediation activities and completion of all remediation actions are the responsibility of GoMP. As regards release of Rs. 310 crore for remediation and waste disposal works, the Union Cabinet fixed the responsibility on Department of Expenditure, GoMP and M/o EF&C. As per the decision of Cabinet, an Oversight Committee at the level of the Government of India was constituted on

15th July, 2010, in the Ministry of Environment and Forests to provide oversight and support to the Govt. of Madhya Pradesh (GoMP) in taking the necessary remedial action. This Oversight Committee is headed by the Minister of Environment and Forest, Government of India and co-chaired by the Minister of Gas Relief, Government of Madhya Pradesh. Govt. of Madhya Pradesh was requested to prepare a comprehensive proposal with an execution plan for disposal of the remaining waste at the site.

3. Govt. of Madhya Pradesh (GoMP) vide letter dated 03.02.2022 has informed that it has floated tender for the purpose. In response to the tender, bids amounting Rs.126.08 Crore from M/s Pithampur Industrial Waste Management Private Limited and Rs.154.54 Crore from M/s Century Eco Solutions India Pvt Ltd. were received. After technical and financial evaluation of bids, M/s Pithampur Industrial Waste Management Private Limited has been found to be L1 and it has been proposed that it may be selected for carrying out the disposal of toxic waste. The Committee formed for selection of bidder included the Members of State Govt. of M.P., Central Pollution Control Board (CPCB) and Madhya Pradesh Pollution Control Board (MPPCB). GoMP has requested Govt. of India to release an amount of Rs.126.08 Crore for the purpose.

4. As per the decision of Cabinet, the proposal is to be endorsed by the Oversight Committee before requesting Dept. of Expenditure for release of funds. The proposal received from GoMP has been forwarded to M/o EF&CC on 30th March 2022 for consideration and endorsement by Oversight Committee.”

Comments of the Committee

(Please see Para No. 1.23 of Chapter – I of the Report)

(Recommendation No. 20)

Petroleum, Chemicals & Petrochemical Investment Regions (PCPIR)

4.9 With regard to PCPIR, the Committee had recommended as follows:-

“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."

Reply of the Government

4.10 In reply to the above recommendation of the Committee, the Ministry of Chemicals and Fertilizers (DCPC) has stated as follows:-

"The Department has taken a note of the suggestions of the Committee and it has been taking up the matter with State Governments to speed up the process of establishing PCPIRs in a time bound manner. For this purpose, the Department has recently reviewed the progress of the three PCPIRs and teams from the Department have visited the three PCPIRs at Dahej, Vishakhapatnam, and Paradeep. Based on the inputs received from the State Governments, the Department will review the PCPIR Policy, 2007 to make it more effective. "

Comments of the Committee

(Please see Para No. 1.26 of Chapter – I of the Report)

CHAPTER V

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

-NIL-

**New Delhi;
08 August, 2022
13 Sravana, 1944 (Saka)**

**KANIMOZHI KARUNANIDHI
Chairperson,
Standing Committee on
Chemicals and Fertilizers.**

STANDING COMMITTEE ON CHEMICALS & FERTILIZERS

(2021-22)

Minutes of the Ninth Sitting of the Committee

The Committee sat on Thursday, the 04th August, 2022 from 1500 hrs. to 1645 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Smt. Kanimozhi Karunanidhi, Chairperson

Lok Sabha

2. Shri Ramakant Bhargarva
3. Shri Rajeshbhai Naranbhai Chudasama
4. Shri Ramesh Chandappa Jigajinagi
5. Shri Kripanath Mallah
6. Shri Satyadev Pachauri
7. Dr. M. K. Vishnu Prasad
8. Shri Arun Kumar Sagar
9. Shri Indra Hang Subba

Rajya Sabha

10. Shri Ayodhya Rami Reddy Alla
11. Dr. Anil Jain
12. Shri Arun Singh
13. Shri Vijay Pal Singh Tomar
14. Shri K. Vanlalvena

SECRETARIAT

1. Shri Vinay Kumar Mohan - Joint Secretary
2. Shri Nabin Kumar Jha - Director

- 3. Shri Kulvinder Singh - Deputy Secretary
- 4. Shri Panna Lal - Under Secretary

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2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of the following Draft Action Taken Reports:

- i. XXX XXX XXX
- ii. XXX XXX XXX
- iii. Thirty-Seventh Report on Action Taken by the Government on the observations/recommendations contained in the Thirty-Third Report (17th Lok Sabha) on 'Demands for Grants 2022-23' of the Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals).
- iv. XXX XXX XXX

3. Giving an overview of the important Observations/ Recommendations contained in the Draft Reports, the Chairperson solicited the views/ suggestions of the Members.

4. The Committee, then, took up the Draft Action Taken Reports one by one for consideration and after some discussions adopted them.

5. The Committee then authorized the Chairperson to finalise the Action Taken Reports and present the same to the Parliament.

XXX Matter Not Related

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRTY-THIRD REPORT (17TH LOK SABHA) OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS (2021-22) ON 'DEMANDS FOR GRANTS (2022-2023)' OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (DEPARTMENT OF CHEMICALS AND PETROCHEMICALS)

I. Total Number of Recommendations:	20
II. Observations/Recommendations which have been accepted by the Government:	
Recommendation No.: 1, 3, 4, 5, 6, 7, 8, 9,10,11,13,14,15,17 and 19	15
	Percentage 75.0%
III. Observations/Recommendations which the Committee do not desire to pursue in view of the Government reply:	
Recommendation No.: Nil	
	Percentage 00.0%
IV. Observation/Recommendation in respect of which reply of the Government has not been accepted by the Committee and which require reiteration:	
Recommendation No.: 2, 12, 16, 18 & 20	5
	Percentage 25.00%
V. Observations/Recommendations in respect of which final replies of the Government is still awaited:	
Recommendation No.: Nil	
	Percentage 00.00%