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**STANDING COMMITTEE ON  
CHEMICALS AND FERTILIZERS**

**(2024-25)**

**(EIGHTEENTH LOK SABHA)**

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

**DEMANDS FOR GRANTS  
(2024-25)  
FOURTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**December, 2024/Agrahayana, 1946 (Saka)**

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**FERTILIZERS**  
**(2024-25)**

**(EIGHTEENTH LOK SABHA)**

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**FERTILIZERS**

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

**DEMANDS FOR GRANTS**  
**(2024-25)**

*Presented to Lok Sabha on .....December,2024*

*Laid in Rajya Sabha on ..... December,2024*

**LOK SABHA SECRETARIAT**



**NEW DELHI**

**December, 2024/ Agrahayana, 1946 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON  
CHEMICALS AND FERTILIZERS  
(2024-25)**

**Shri Azad Kirti Jha - Chairperson**

**MEMBERS**

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

**RAJYA SABHA**

22. Shri Subhash Barala
23. Shri Subhash Chandra Bose Pilli
24. Dr. Anbumani Ramadoss
25. Shri Sanjay Raut
26. Shri Meda Raghunadha Reddy
27. Dr. Kalpana Saini
28. Shri Arun Singh
29. Shri Akhilesh Prasad Singh
30. Shri Tejveer Singh
31. Vacant\*

\*Vacant Vice Nomination of Shri Niranjan Bishi, MP (Rajya Sabha) has changed *vide* Rajya Sabha Bulletin-Prt II, Para No. 64908 dated 21.11.2024.

**SECRETARIAT**

- |    |                      |   |                      |
|----|----------------------|---|----------------------|
| 1. | Smt. Suman Arora     | - | Additional Secretary |
| 2. | Ms. Miranda Ingudam  | - | Director             |
| 3. | Shri Kulvinder Singh | - | Deputy Secretary     |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Chemicals and Fertilizers (2024-25) having been authorized by the Committee do present on their behalf this Forth Report (Eighteenth Lok Sabha) on 'Demands for Grants (2024-25)' pertaining to the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers.

2. The Committee considered the Demands for Grants (2024-25) pertaining to the Department of Chemicals and Petrochemicals for the Financial Year 2024-25 which were laid on the Table of the House on 2<sup>nd</sup> August, 2024. Thereafter, the Committee took evidence of the representatives of the Department of Chemicals and Petrochemicals on 13<sup>th</sup> November, 2024. The Committee considered and adopted the Report at their sitting held on 12<sup>th</sup> December, 2024.

3. The Committee wish to express their thanks to the Officers of the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers for tendering evidence and placing before the Committee all the requisite information sought for in connection with the examination of the subject.

4. The Committee also place on record their appreciation for the valuable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

5. For ease of reference and convenience, the Observations/ Recommendations of the Committee have been printed in bold letters in the body of the Report.

**New Delhi;**  
**.... December, 2024**  
**..... Agrahayana, 1946 (Saka)**

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

**ACRONYMS/ABBREVIATIONS OF THE TERMS  
USED IN THE REPORT**

APDDRL	Advanced Polymer Design & Development Research Laboratory
ARSTPS	Advanced Research School for Technology & Product Simulation
BGLD	Bhopal Gas Leak Disaster
C&PC	Chemicals & Petrochemicals
CIPET	Central Institute of Petrochemicals Engineering & Technology
CoE	Centres of Excellence
CPDS	Chemical Production and Development Scheme
CPSUs	Central Public Sector Undertakings
CSTS	Centre for skilling & Technical Support
DCPC	Department of Chemicals & Petrochemicals
DoE	Department of Expenditure
DoR	Department of Revenue
HIL	Hindustan Insecticides Ltd.
HOCL	Hindustan Organic Chemicals Limited
HFL	Hindustan Fluorocarbons Limited.
IPFT	Institute of Pesticides Formulation
LARPM	Laboratory for advanced Research in Polymeric Materials
LTC	Long Term Courses
MoF	Ministry of Finance
NSP	New Schemes of Petrochemicals
PCPIR	Petroleum Chemical & Petrochemical Investment Region
SSC	Scheme Steering Committee
STC	Short Term Courses
PWMC	Plastic Waste Management Centre

## REPORT

### PART – I NARRATIVES

The Department of Chemicals and Petrochemicals (DCPC) under the Ministry of Chemicals and Fertilizers aims to formulate and implement policy and programmes for achieving growth and development of the chemical and petrochemical sectors in the Country; and also to foster the spirit of public-private partnership for overall development of above-mentioned sectors of the industry.

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

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

4. There are three Central Public Sector Undertakings (CPSUs) in the chemical sector namely Hindustan Organic Chemicals Ltd. (HOCL), HIL (India) Limited and Hindustan Fluorocarbons Limited (HFL), which is a subsidiary of HOCL (Note: HFL is not currently operational). Two autonomous institutes namely Central Institute of Petrochemicals Engineering & Technology (CIPET) and Institute of Pesticides Formulation Technology (IPFT) function under this Department.

5. The Department of Chemicals and Petrochemicals presented their detailed Demands for Grants (Demand No. 5) for the financial year 2024-25 to Parliament on 2 August, 2024. The Budget Estimate of the Department showing Revenue and Capital expenditure for the year 2024-25 is as under:-

<b>(₹ in crore)</b>	
<b>Expenditure Head</b>	<b>Budget Estimate</b>
<b>Revenue</b>	136.82
<b>Capital</b>	122.29

<b>Total</b>	259.11
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**II. PROPOSED AND APPROVED FINANCIAL OUTLAYS OF THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS (DCPC) FOR THE FINANCIAL YEAR 2023-24**

6. On being asked to furnish the details with regard to the proposed amount for each scheme of the Department of Chemicals and Petrochemicals for the year 2023-24 and the amount actually approved by the Ministry of Finance (MoF). In response, the Department has furnished the detailed information in a tabular form as under:-

**(Rs.in Crore)**

Sr. No.	Name of the Scheme	Projected BE 2024-25	Allocated BE 2024-25	Comments
<b>I</b>	<b>Central Sector Schemes</b>			
1	Other New Schemes of Petrochemicals	42.3	25.00	The allocated BE has been increased due to the loan to be given to HIL (INDIA) Limited for closure of two units of HIL (INDIA) Ltd. and salaries & other statutory payments to employees at Head Office, Rasayani Unit and five sales offices of HIL (India) Ltd.
	<b>Total</b>	<b>42.3</b>	<b>25.00</b>	
<b>II</b>	<b>Other Central Expenditure (Sectt/BGLD/ABs/PSUs)</b>			
2	Secretariat/Economic Services	31.67	31.68	
2.2	Central Institute of Petrochemicals Engineering & Technology (CIPET)	62.58	36.37	
2.3	Institute of Pesticides Formulation Technology (IPFT)	21.5	20.65	
2.4	Hindustan Organic Chemicals Ltd.(HOCL)	0.00	0.00	
2.5	HIL (India) Ltd. (HIL)	0.00	120.06	
2.6	Hindustan Fluorocarbons Ltd (HFL)	0.00	0.00	
2.7	Bhopal Gas Leak Disaster (BGLD)	25.35	25.35	
	<b>Total</b>	<b>141.1</b>	<b>234.11</b>	
	<b>Grand Total</b>	<b>183.4</b>	<b>259.11</b>	

It may be seen from the above that the Department has been allocated an amount of Rs.259.11 crore against the projected outlay of Rs. 183.4 crore.

7. When asked about the reasons for this enhanced allocation of funds by the Ministry of Finance against the proposed allocation, the Department has stated that the allocated BE has been increase due to the loan to be given to HIL (INDIA) Limited for closure of two units of HIL (INDIA) Ltd. and salaries & other statutory payments to



employees at Head Office, Rasayani Unit and five sales offices of HIL (India) Ltd.

8. On being asked about the actual expenditure as on date out of the funds allocated for the current financial year 2024-25. The Department in their written reply submitted that an amount of Rs.259.11 crores has been allocated for BE 2024-25. As on 31.10.2024 an amount of Rs.182.01 crores (70.67 % of BE) has already been utilized by the Department.

9. When asked whether the Department is hopeful of utilizing the whole funds allocated for the current financial year. The Department submitted that an approximate amount of Rs.70.67% of BE 2024-25 has already been utilized up to 31.10.2024. Therefore, it is hopeful that DCPC will be able to utilize the whole of the funds allocated to it.

### **III BUDGETARY ALLOCATION VIS-A-VIS UTILISATION DURING 2021-22, 2022-23 AND 2023-24**

10. As regards the Budget Estimate (BE) & Revised Estimate (RE) for 2021- 22, 2022-23 and 2023-24 in respect of the Department of Chemicals and Petrochemicals and the actual utilization of funds thereof, the following information has been furnished to the Committee:—

(₹ in crore)			
<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual Expenditure</b>
2021-22	233.14	209.00	208.29
2022-23	209.00	150.68	143.98
2023-24	173.45	572.63	474.67
2024-25	259.11	-	183.12 (as on 31 <sup>st</sup> October, 2024)

11. On being asked to state the reasons for decline and rise in the BE of the Department. The Committee noted that the BE (2021-22) which was Rs.233.14 crore was reduced to Rs.209.00 crore in the year 2022-23 and further reduced to Rs.173.45 crore and again raised to Rs. 259.11crore. The Department in their written reply submitted that the Department has adopted revised procedure for flow of funds under the Central Sector Schemes and adopted the single Central Nodal Agency (CNA) system for release of funds, as per which funds are to be released to the implementing agencies on a just-in-time basis. Further, the pooling of funds with the implementing agencies is not possible in the CNA system and according to the Department all the CoEs and Plastic Parks have adopted the new system wherein the funds under the scheme are released as per the actual requirement and based on the actual

expenditure. The Department also submitted that in the year 2023-24 CIPET was having large amount of unspent balance and therefore the expenditure of Rs 74.07 Crores was met from this fund and no grants were released in this year. In order to ensure effective release and utilization of funds following the principle of just in time basis, funds will now be released on actual requirement basis under the Treasury Single Account (TSA) system which has been implemented in CIPET from FY 2024-25 onwards.

12. On being asked to furnish the reasons for drastic reductions of RE (2021-22) which to Rs.150.68 crore (RE 2022-23) with the actual expenditure remaining less than the reduced RE for both the years. The Department in their written reply submitted that an amount of Rs.209.00 crores was allocated to DCPC for the year 2021-22 and further submitted that Rs.150.68 crores were allocated for the year 2022-23 mainly due to reduced allocation in NSP and CIPET. The Department further submitted that NSP allocation was reduced due to implementation of revised procedure of flow of funds under the central sector scheme from FY 2022-23. The reduced allocation of CIPET was due to huge unspent balances lying in CIPET from previous releases.

### **III. SCHEME-WISE ANALYSIS**

#### **A. New Scheme of Petrochemicals (NSP)**

##### **I. Sub Scheme: Scheme for Setting up of Plastic Parks**

13. As regards Plastic Parks, it was stated that the Scheme promotes setting up of Plastic Parks with requisite infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. The Government of India provides grant funding up to 50% of the project cost subject to a ceiling of Rs.40 crore per project. So far, 10 Plastic Parks have been approved and these are at different levels of implementation. The Committee desired to know the details of the Plastic Parks, their objectives and their functions including their mandate.

14. The Department in a written note submitted that the Scheme for Setting up Plastic Parks promotes setting up of Plastic Parks with requisite infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment.

15. Under the Scheme, the Government of India provides grant funding up to 50% of the project cost subject to a ceiling of Rs. 40 crore per project. The funds are released in four installments, based on fulfillment of certain milestones. 10 Plastic

Parks have been approved so far and the same are at different levels of implementation.

16. The updated status of the Plastic Parks as furnished by the Department *vide* their Reply as follows:-

No.	Location	Final Approval date	Total Project Cost (Rs. crore)	Total Gol support (Rs. crore)	Gol support released till date (Rs. crore)	Total Number of Plots	No. of Plots allotted
1.	Tamot, MP	October, 2013	108.00	40.00	36.00	172	26
2.	Paradeep, Odisha	October, 2013	106.78	40.00	36.00	80	46
3.	Tinsukia, Assam	February, 2014	93.65	40.00	35.73	104	66
4.	Deoghar, Jharkhand	December, 2018	67.33	33.67	30.29	102	<b>NIL</b>
5.	Bilaua, MP	December, 2018	68.72	34.36	30.92	107	02
6.	Thiruvallur, Tamil Nadu	July, 2019	216.92	40.00	22.00	65	<b>NIL</b>
7.	Sitarganj, Uttarakhand	December, 2020	67.73	33.93	18.64	82	46
8.	Sarora, Chhattisgarh	April, 2021	42.09	21.04	4.21	48	<b>NIL</b>
9.	Ganjimutt, Karnataka	January, 2022	62.78	31.38	6.28	53	<b>NIL</b>
10.	Gorakhpur, UP	April, 2022	69.58	34.79	19.13	92	42

17. On being asked as to how far the Plastic Parks have been able to achieve the objective to consolidate and synergies the capacities of downstream plastic processing industry to help increase investment, production and export in the sector, the Department submitted that under the Scheme, the objective is to provide enabling facilities for setting up of plastic production units using a cluster-based approach. While some of the Plastic Park projects are nearing completion of their infrastructure creation work, some of the newer projects are in the process of infrastructure development. Simultaneously, efforts are being made to populate the Parks by incentivising industrial entities to set up units in the Plastic Parks. Once these Parks

are populated, they would contribute to increasing investment, production and employment.

18. When asked whether any objective with regard to generation of employment for each Plastic Park has been fixed and if so, details thereof *vis-à-vis* the target fixed and actual generation of employment. In reply, the Department submitted that contributing to employment generation is one of the expected outcomes of this Scheme. However, no such targets for employment generation have been fixed.

19. On further being asked as to why no targets for generation of employment have been fixed for each of the Plastic Park so far, the Department submitted that once these units become operational employment will be generated. There is no uniformity in the units working in the plastic industry, with firms producing different kinds of products, utilizing different technologies and ranging from small/ medium to large-scale units. As such, it is not feasible to set uniform targets for employment in the Plastic Parks. It is, however, expected that once the pace of allotment picks up and units become functional, this would lead to generation of employment in the region

20. On being asked to furnish the number of plastic parks to which the Department has granted funds up to 50% of the project cost subject to the ceiling of Rs 40 crore per project and whether the grant has been utilised by the beneficiary or not and state how the Department monitors/reviews the grants once granted to any Plastic Parks, the Department submitted that under the Scheme, the DCPC grant is released in four installments, based on fulfillment of certain milestones. As per the Scheme Guidelines, the fourth installment of funds is to be released after the Special Purpose Vehicle (SPV) has mobilized and spent its entire share in proportion to the grant and after 25% of the units in the Park have become operational.

21. The Department regularly monitors the implementation of the projects and the utilization of the funds released, through site visits, review meetings as well as through regular progress reports submitted by the implementing agencies. Best efforts are being made to ensure timely completion of the projects and to populate the Parks at the earliest.

22. On being asked to provide the present status of each of the 10 Plastic Parks approved so far the Department furnished data as follows:-

No.	Location of Plastic Parks	Date of Commencement	Target date of Completion	% of work completed	% of work pending	Likely date of Completion	Reason for non-completion	Construction	Corrective steps taken if any.

1.	Tamot, Madhya Pradesh	October, 2013	October, 2016	100% civil work complete	NA	December, 2025	Pace of allotment of plots.	100% civil work completed	Efforts are being made to increase the pace of allotment. Regular monitoring is being undertaken by the Department.
2.	Paradeep, Odisha	October, 2013	October, 2016	98% civil work complete	2%	March, 2025	Pace of allotment of plots.	98% civil work completed	Efforts are being made to increase the pace of allotment. Regular monitoring is being undertaken by the Department.
3.	Tinsukia, Assam	February, 2014	February, 2017	85% civil work complete	15%	December, 2025	Pace of allotment of plots and some delay in completion of infrastructure due to local unrest and unwillingness of contractors to participate in the bidding process	85% civil work completed	Regular monitoring is being undertaken to get the project completed at the earliest.

4.	Deoghar, Jharkhand	December, 2018	December, 2021	85% civil work complete	15%	December, 2025	Delay in completion of infrastructure work due to elections and local opposition. Environmental Feasibility Study also had to be undertaken.	85% civil work completed	Regular monitoring is being undertaken to get the project completed at the earliest.
5.	Bilaua, Madhya Pradesh	December, 2018	December, 2021	82% civil work complete	18%	December, 2025	Delay in completion of infrastructure work due to land issues and issues with the contractor	82% civil work completed	Regular monitoring is being undertaken to get the project completed at the earliest.
6.	Tiruvallur, Tamil Nadu	September, 2019	September, 2022	84% civil work complete	16%	NA	As directed by the Hon'ble National Green Tribunal (NGT), the project implementation is	84% civil work completed	The matter is being taken up by the State Government in the Hon'ble Supreme Court.

							kept in abeyance and status quo maintained since 20.01.2022. TPIPL has appealed before the Hon'ble Supreme Court praying to quash the judgment of Hon'ble NGT.		
7.	Sitarganj, Uttarakhand	December, 2020	December, 2023	54% civil work complete	46%	March, 2026	The infrastructure work was delayed due to issues with the contractor and due to the pandemic.	54% civil work completed	Regular monitoring is being undertaken to get the project completed at the earliest.
8.	Raipur, Chhattisgarh	April, 2021	April, 2024	30%	70%	July, 2026	There was some delay in the tendering	30%	Regular monitoring is being undertaken to get the project

							process and in the initial site development work.		completed at the earliest.
9.	Ganjimutt, Karnataka	January, 2022	January, 2027	68%	32%	January, 2027	NA	68%	NA
10.	Gorakhpur, Uttar Pradesh	July, 2022	July, 2027	56%	44%	July, 2027	NA	56%	NA

23. On a specific query to when the Scheme of Plastic Parks first conceived. The Department submitted that the Scheme for Setting up of Plastic Parks was formulated in 2011 and the first approvals for Plastic Park projects were given in 2013.

24. On being asked whether apparent delays in setting up Plastic Parks has not defeated the very purpose to consolidate and synergise the capacities of downstream Plastic Processing Industry, the Department stated that the Scheme for setting up of Plastic Parks promotes setting up of Plastic Parks with requisite infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment and production in the sector as well as generate employment.

25. While the Central Government provides financial support, the implementation of the Plastic Park projects is largely in the hands of the Special Purpose Vehicles (SPVs) set up by the State Government or their agencies and progress of the projects is effectively dependent on the State Governments. Some of these projects have been adversely impacted due to local factors such as elections, local unrest etc. Besides, the work during 2020-22 was also impacted to varying degrees due to the pandemic.

26. The Department has been regularly monitoring the implementation of the various projects, including through site visits, review meetings as well as regular progress reports submitted by the SPVs. Best efforts are being made to ensure timely completion of the projects and to populate the Parks at the earliest. On being asked the level at which the implementation process monitored by the Department, it was submitted that the Department regularly monitors the implementation of the various projects, including through site visits, review meetings as well as regular progress reports submitted by the SPVs. In the previous year, 4 of the 10 Plastic Park projects have been visited by senior officials of the Department including Secretary, DCPC. Online review meetings under the Chairmanship of Secretary were held in November, 2023 and October, 2024 while a review under the Chairmanship of Joint Secretary



was undertaken in May, 2024. Further, progress reports indicating the status of infrastructure creation and plot allotment are submitted by the SPVs on a quarterly basis.

27. Based on the efforts made, significant progress in terms of infrastructure development has been made in all the Plastic Park projects in recent years. There has also been improvement in terms of allotment of plots in the Plastic Parks. The allotment in Assam has increased from 46 plots in August, 2023 to 66 plots in September, 2024. Similarly, the allotment in Tamot has increased from 18 plots in August, 2023 to 26 plots in September, 2024. 46 of 80 plots have been allotted in Odisha, 42 plots have been allotted in the Uttar Pradesh Plastic Park while in the Plastic Park at Sitarganj, Uttarakhand, 46 allotments have been made. The implementing agencies are confident of making the requisite allotments in the near future. It is expected that most of the infrastructure creation would be completed by 2025-26 and thereafter, the Plastic Parks would get populated at the earliest.

28. On being asked to state the constraints being faced in the actual implementation process of Plastic Parks, the Department submitted that while the Central Government provides financial support, the implementation of the Plastic Park projects is largely in the hands of the Special Purpose Vehicles (SPVs) set up by the State Government or their agencies and progress of the projects is effectively dependent on the State Governments. In some cases, there were delays in land acquisition, while in others the work was impacted due to elections. In Assam, the work was impacted due to local unrest while the Plastic Park in Jharkhand was delayed due to requirement of an environmental feasibility study to be conducted due to its location. The Plastic Park in Tamil Nadu has been stayed due to an Order of the NGT. Besides, the work during 2020-22 was also impacted to varying degrees due to the pandemic.

29. Under the previous Guidelines, the Plastic Parks were required to be completed within a period of three years from the final approval. However, in view of the experience of the previous projects, this has been increased to five years under the revised Guidelines

30. On a specific query on the response of the Department to the fact that out of 10 Plastic Park approved so far, none of the Plastic Park appears to be completed and functional as on date revealing a sorry state of affairs, the Department *inter-alia* reiterated that the implementation of the Plastic Park projects is largely in the hands of the Special Purpose Vehicles (SPVs) set up by the State Government or their agencies.

31. Based on the efforts made to get the work of infrastructure creation completed and due to regular monitoring, significant progress has been made in the process of infrastructure creation, with most of the Parks likely to complete most of the infrastructure creation by 2025-26. Simultaneously, efforts are being made to increase

the pace of allotment of plots in these Parks. Once the requisite number of plots become operational, the final installment of funds would be released the Department has not been able to release the final installment of funds for any of the Plastic Parks yet, there has been an increase in the number of allotted and functional plots in many of the Plastic Parks and several units are functional in the Plastic Parks in Assam, Odisha and Tamot.

32. On further being queried whether the bio plastic plant at Lakhimpur, uttarakhand would be eco friendly and what products would be manufactured by it, the Department submitted that the bio plastic plant would be manufacturing Polylactic acid (PLA). Poly Lactic Acid is a bio-based material and has potential to replace many single use plastic items.

33. During evidence, the representatives of the Department elaborated about the Plastic parks Scheme as follows

“The Plastic Parks Scheme basically is on the need-based Plastic Parks and the States give us the applications and we then set them up. We give the grant for the project of 50 per cent of the project cost, but subject to the ceiling of Rs. 40crore. So far, 10 Plastic Parks have been approved.....We can see two in Madhya Pradesh, one in Odisha, one in Assam, one in Jharkhand, one in Tamil Nadu, one in Uttarakhand, one in Chhattisgarh and one in Karnataka. So, those Plastic Parks are in various stages of implementation right now and in many of the Parks we can see that industry have started coming and started setting up. So, reasonable number of plot allocations have already happened.”

## **II. Sub Scheme: Scheme for setting up of Centers of Excellence (CoEs)**

34. The Department of Chemicals and Petrochemicals implements the Scheme for setting up Centers of Excellence under the umbrella scheme of the New Scheme of Petrochemicals. Under this Scheme, the Department provides grant-in-aid to identified research institutes with the objective of improving the existing technology and research in the country and to promote development of new applications. Under the Scheme, the Government of India provides financial support upto 50 per cent of the total project cost subject to an upper limit of Rs.5 crore.

35. On being asked about the criteria for identifying the research institutes for providing grant-in-aid, the Department submitted that under the Scheme, funding is given to existing educational and research institutions working in the field of chemicals/ petrochemicals. The essential criteria are as follows:

- a. Existing Central or State Government University, Government organizations with a proven track record of academic excellence or research.

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

36. Projects which have an industrial partner for promoting the applied research, technology transfer and commercialization would be preferred.

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

38. The Committee then desired to know as to how many CoEs have been set up till date and the number of CoEs to be set up and the time by which the remaining CoEs are likely to be set up. The Department submitted that 18 CoEs have been approved till date.

39. On being asked whether existing CoEs are sufficient enough for the whole country and whether in the opinion of the Department more CoEs need to be approved and set up. In reply it was submitted that this Scheme seeks to provide grant-in-aid to educational and research institutions to undertake research to improve existing technology and promote development of new applications. The CoEs are set up with an aim to help in development of new products, new applications, innovation and improvement of technology, process innovation, quality and environmentally sustainable development, etc. Institutions through this project are expected to interact and pass on their research findings, expertise etc. to industry for modernization of the industry, both upstream and downstream.

40. While previously the Scheme was restricted to petrochemicals, it has now been expanded to also include the chemical sector. As mentioned above, 5 new CoEs were

approved in September, 2024. Therefore, the Department reviews the requirements of the sector and accordingly, accords approval for new CoEs based on the needs of the industry and the quality of the research proposals received.

41. The physical target of setting up of 03 CoEs in the year 2023-24 could not be achieved due to delay in revision of Scheme Guidelines as comprehensive review of the CoEs were undertaken to make the scheme more effective. Based on the feedback and learnings, the guidelines has been revised in May 2024 with the approval of Hon'ble Minister (C&F) and 5 new CoEs have been approved in September, 2024. The total number of approved CoEs stand at 18.

42. While the Central Government provides financial support, the implementation of the Plastic Park projects is largely in the hands of the Special Purpose Vehicles (SPVs) set up by the State Government or their agencies and progress of the projects is effectively dependent on the State Governments. Some of these projects have been adversely impacted due to local factors such as elections, local unrest etc. In some cases, there were delays in land acquisition, while in others the work was impacted due to elections. In Assam, the work was impacted due to local unrest while the Plastic Park in Jharkhand was delayed due to requirement of an environmental feasibility study to be conducted due to its location. The Plastic Park in Tamil Nadu has been stayed due to an Order of the NGT. Besides, the work during 2020-22 was also impacted to varying degrees due to the pandemic.

43. Under the previous Guidelines, the Plastic Parks were required to be completed within a period of three years from the final approval. However, in view of the experience of the previous projects, this has been increased to five years under the revised Guidelines. The Department has been regularly monitoring the implementation of the various projects, including through site visits, review meetings as well as regular progress reports submitted by the SPVs. Best efforts are being made to ensure timely completion of the projects and to populate the Parks at the earliest.

44. On a pointed query that out of the ten Plastic Parks approved so far, none of the Plastic Parks appears to be completed and functional the department submitted that the implementation of the Plastic Park projects is largely in the hands of the Special Purpose Vehicles (SPVs) set up by the State Government or their agencies.

Based on the efforts made, significant progress in terms of infrastructure development has been made in all the Plastic Park projects in recent years. There has also been improvement in terms of allotment of plots in the Plastic Parks. The allotment in Assam has increased from 46 plots in August, 2023 to 66 plots in September, 2024. Similarly, the allotment in Tamot has increased from 18 plots in August, 2023 to 26 plots in September, 2024. 46 of 80 plots have been allotted in Odisha, 42 plots have been allotted in the Uttar Pradesh Plastic Park while in the Plastic Park at Sitarganj, Uttarakhand, 46 allotments have been made. The implementing agencies are confident of making the requisite allotments in the near future. It is expected that most of the infrastructure creation would be completed by 2025-26 and thereafter, the Plastic Parks would get populated at the earliest. Based on the efforts made to get the work of infrastructure creation completed and due to regular monitoring, significant progress has been made in the process of infrastructure creation, with most of the Parks likely to complete most of the infrastructure creation by 2025-26. Simultaneously, efforts are being made to increase the pace of allotment of plots in these Parks. Once the requisite number of plots become operational, the final installment of funds would be released. It is further submitted that though the Department has not been able to release the final installment of funds for any of the Plastic Parks yet, there has been an increase in the number of allotted and functional plots in many of the Plastic Parks and several units are functional in the Plastic Parks in Assam, Odisha and Tamot.

45. When asked as to Why 'Nil' target for generation of employment have been fixed for each of Plastic Park so far, it was submitted that the Scheme for Setting up of Plastic Parks promotes setting up of Plastic Parks with requisite infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. The target for the Plastic Park is for allotments to various plastic units which is dependent on the number of plots in the Park. Once these units would become operational the employment will be generated. It was further submitted that there is no uniformity in the units working in the plastic industry, with firms producing different kinds of products, utilizing different technologies and ranging from small/ medium to large-scale units. As such, it is not feasible to set uniform targets for employment in the

Plastic Parks. It is, however, expected that once the pace of allotment picks up and units become functional, this would lead to generation of employment in the region.

46. When asked about initiatives to ensure completion of construction work at Plastic Parks within the target date and at what level the implementation process of Plastic Parks was monitored by the Department it was submitted that the Department regularly monitors the implementation of the various projects, including through site visits, review meetings as well as regular progress reports submitted by the SPVs. In the previous year, 4 of the 10 Plastic Park projects have been visited by senior officials of the Department including Secretary, DCPC. Online review meetings under the Chairmanship of Secretary were held in November, 2023 and October, 2024 while a review under the Chairmanship of Joint Secretary was undertaken in May, 2024. Further, progress reports indicating the status of infrastructure creation and plot allotment are submitted by the SPVs on a quarterly basis. Based on the efforts made, significant progress in terms of infrastructure development has been made in these Plastic Park projects. There has also been improvement in terms of allotment of plots in the Plastic Parks. The implementing agencies are confident of making the requisite allotments in the near future. It is expected that most of the infrastructure creation would be completed by 2025-26 and thereafter, the Plastic Parks would get populated at the earliest.

### **III Sub Scheme: Petrochemical Research and Innovation Commendation (PRIC)**

47. In pursuance of the National Policy on Petrochemicals, the Department implement an Award Scheme to provide incentive for meritorious innovations & inventions in various fields of petrochemicals and downstream plastic processing industry since 2010-11. These National Awards were given in eleven editions. The Scheme Guidelines have since been revised to the Petrochemicals Research & Innovation Commendation Scheme, which seeks to felicitate the meritorious innovations and inventions in the field of petrochemicals, products, processes and other areas of national and social importance. In accordance with the directions of MHA revised guidelines, cash awards have been discontinued and only commendation is given.

48. On being asked about the steps to popularize this scheme, the following steps were taken by the Department in coordination with CIPET:

- a. An advertisement seeking nominations was published in leading national newspapers (English and Hindi) as well as in regional newspapers.

- b. The said advertisement was published on the website of the Department as well as that of CIPET for wide publicity.
- c. Further, a web portal was developed by CIPET inviting nominations for the commendation.

49. When specifically asked to clarify whether the Department has noted any decline in meritorious innovations and inventions in various fields of petrochemicals and downstream plastic processing industry due to the discontinuance of the cash awards, the Department replied in negative and stated as under:-

“The Department has not noted any decline in the innovations and inventions in various fields of petrochemicals and downstream plastic processing industry. Department has received 156 nominations for the 1<sup>st</sup> PRIC event under two categories, which is comparable to the 173 nominations received under 13 categories for the 11<sup>th</sup> edition of the National Petrochemical Awards. As such, it is not felt that the discontinuance of cash awards has defeated the purpose of providing motivation for more innovative work.”

50. On being asked as to whether innovations made so far for which Awards have already been given by the Department have resulted in any positive outcome in terms of actual industrial applications of these innovations, the Department submitted that the awards have been given in various emerging areas such as innovations in machinery and equipment, emerging packaging technologies, innovation in processes and technology, innovation in technology management, polymer waste management and recycling technology, green polymeric materials, polymers in agriculture and water conservation etc. All these are areas of crucial importance to the industry and there is increasing demand for these technologies in the petrochemical and allied sector. The Department maintains the database of innovations based on which the awards are given each year. A copy of the same is placed at **Annexure-I**. Receiving of these awards serves to provide due recognition to these innovations and provides awareness in the industry regarding these new technologies, facilitating possible collaboration and adoption of these innovations. Besides, many of these awards were given for innovations made in the industry itself and are already in practice.

#### **IV Budgetary allocation under New Scheme of Petrochemicals (NSP)**

51. The BE, RE and the actual expenditure of New Schemes of Petrochemicals was stated to be as given below:

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual</b>
2021-22	53.73	51.13	51.12
2022-23	48.50	29.00	24.22
2023-24	22.00	18.00	18.00
2024-25	25.00	-	

52. It may be seen that the actual expenditure of New Schemes of Petrochemicals has come down to 18 crore in the year 2023-24 from 51.12 crore in the year 2021-22 and desired to be apprised of the reasons for the same. The reasons for reduction of more than 50% in the RE (2024-25) which was 25.00 crore and the RE (2021-22) which was 51.13 crore, and the reasons for downward revision of the BE for the year 2021-22, 2022-23, 2023-24 from 53.73 crore to 48.50 crore and then finally to 22.00 crore were sought. In reply the department submitted that it has adopted the revised procedure for flow of funds under the Central Sector Schemes and adopted the single Central Nodal Agency (CNA) system for release of funds, wherein funds are to be released to the implementing agencies on a just-in-time basis. The pooling of funds with the implementing agencies is not possible in the CNA system. Now, all the CoEs and Plastic Parks have adopted the new system and the funds under the scheme is released as per the actual requirement and based on the actual expenditure. It was further submitted that the Department is making best efforts to ensure full utilization of funds and expeditious completion of the projects through regular review and monitoring of the implementing agencies of the Plastic Parks as well as the CoEs.

53. On the physical targets set and achievements for the last three years of NSP, the following data was furnished:-

Sl. No.	Names of the Schemes/ Projects /Programmes, etc	Division	2021-22			2022-23			2023-24			% of achievement for the last three years	2024-25 Target
			Target	Achievement	Short fall if any indicating reasons in brief	Target	achievement	Short fall if any indicating reasons in brief	Target	Anticipated achievements	Expected short fall indicating reasons in brief		
1.	Scheme for setting up of Plastic Parks	PC-I	2	2	-	1	1	-	00	00	00	100	00
2.	Scheme for setting up of Centre of Excellence (CoE)		2	2	-	00	00	03	00	(03) Due to delay in revision of Guidelines.		4 being set up.	



54. The reasons for 'NIL' target for setting up of Plastic Parks for the year 2023-24, 2024-25 were sought. The Department submitted that in the meeting of the SFC held in October, 2021, the issue of setting up new Plastic Parks was discussed, wherein the SFC recommended the setting up of 5 new Plastic Parks subject to the concurrence of Department of Expenditure (DoE). However, Department of Expenditure stated that they do not support the proposal for establishing 5 new Plastic Parks, suggesting that the proposal for setting up new Plastic Parks may be brought up for consideration of DoE after completion of the ongoing projects and once their output/ outcomes are clear. Accordingly, the Department is focused on timely and successful completion of the ongoing approved projects and the targets for setting up new Plastic Parks in 2023-24 and 2024-25 were kept as nil.

55. During evidence, the representative apprised the Committee regarding CPDS as follows:

“This is the third sub-Scheme in the New Scheme of Petrochemicals. The aim is to promote chemicals and petrochemicals industries through studies, surveys, databanks, promotional material, etc. We also conduct seminars, conferences, exhibitions and trainings. This year, we have conducted five training programmes and we had recently held one big international event called India Chem 2024 in the month of October in Mumbai.”

## **B. Central Institute of Petrochemical Engineering and Technology (CIPET)**

56. The Central Institute of Petrochemicals Engineering & Technology (CIPET) is a technical education institution under the Department of Chemicals & Petrochemicals and engaged in skill development, technology support as well as academic and research activities for the promotion of the petrochemical and allied industry in the Country. CIPET has 47 Centres located across the country. The details are placed at Annexure – II.

57. When asked about the current status of the ongoing projects of CIPET the Department submitted as under:-

“Enhancing the Capabilities in Academic Activities (Skill Development Training Programs) at CIPET Centres

- i. Creation of residential hostels to augment increase in intake capacity of the existing and new academic programmes – Of the amount of Rs.292.77 crore approved since 2012-13 for the creation of hostels in CIPET Centres across 12 States, Rs.260.98 crore has been released to CIPET so far.
- ii. Establishment of new CIPET Centres - of the 11 Centres approved in 2015-16, the Centres at Jaipur, Ranchi, Chandrapur, Dehradun, Varanasi,

- Agartala and Bengaluru have been set up. The establishment of the new Centre in Bihta is in progress.
- iii. Establishment of Technology Centre at CIPET, Chennai – there has been some delay in the construction work due to rescinding of the contract by CPWD. A fresh tender has been issued and the bid is under technical evaluation.
  - iv. Upgradation of CIPET for academics, skill training and research programmes – Of the approved amount of Rs. 58.58 crore, Rs. 47.25 crore has been released so far.
  - v. Setting up of Plastics Waste Management Centres – it is proposed to set up 4 Plastics Waste Management Centres (PWMCs) at Bengaluru, Varanasi, Bhagalpur and Sanand. These would become operational within this financial year.

58. When asked to state the present status of the creation of residential hostels to augment intake capacity of the existing and new academic programmes, the following data was submitted by the Department:-

No.	Project	Status
1.	CIPET:IPT,Chennai	Completed and operational
2.	CIPET:CSTS,Haldia	Completed and operational
3.	CIPET:IPT,Lucknow	Completed and operational
4.	CIPET:CSTS,Aurangabad	Completed and operational
5.	CIPET,BalasoreandCIPET, Bhubaneshwar	Completed and operational
6.	CIPET:CSTS,Jaipur	Completed and operational
7.	CIPET:IPT,Murthal	Completed and operational
8.	CIPET:IPT,Ahmedabad	Completed and operational
9.	CIPET:CSTS,Hyderabad	Completed and operational
10.	CIPET:CSTS,Madurai	Completed and ready for inauguration
11.	CIPET:CSTS,Varanasi	Completed and inaugurated by the Hon'ble Prime Minister on 20 <sup>th</sup> October,2024
12.	CIPET:CSTS,Mysore	77% work complete, work is expected to be completed by December,2024
13.	CIPET:CSTS,Imphal	Work awarded to the contractor by CPWD on 20 <sup>th</sup> June, 2024. 18% work is complete, work is likely to be completed by September, 2025.
14.	CIPET:CSTS,Baddi	Work awarded to the contractor by CPWD on 28 <sup>th</sup> July, 2024. Footing Excavation work is in progress.

59. On being asked to state yearly information of the amount released and utilized by CIPET, the following information was submitted by the Department.

Year	Amount Received (Rs.crore)	Amount Utilised (Rs.Crore)
2012-13	-	1.20
2013-14	98.17	52.50
2014-15	57.11	42.40
2015-16	44.72	77.10
2016-17	11.90	36.20
2017-18	36.17	32.12
2018-19	4.00	9.34
2019-20	-	-
2020-21	8.91	2.30
2021-22	-	-
2022-23	-	1.45
2023-24	-	2.46
<b>Total</b>	<b>260.98</b>	<b>257.08</b>

60. It was further submitted that the unutilized amount of Rs.3.90 crore has been deposited into the Consolidated Fund of India on 31<sup>st</sup> March, 2024. The balance amount is proposed to be utilized in 2025-26.

61. Out of 11 CIPET Centres approved in the year 2015-2016, 07 centres at Jaipur, Ranchi, Chandrapur, Dehradun, Varanasi, Agartala and Bengaluru are stated to have been set up. However, the establishment of CIPET Centre at Bihta is stated to be in progress. On being asked about the status of the remaining 03 Centres of CIPET. The Department submitted as follows:

- a) CIPET: CSTS, Bhagalpur— The Centre has been completed and is ready for inauguration.
- b) Nasik, Maharashtra—The proposal for allotment of suitable land and the funds is under consideration of the State Government.
- c) Jammu & Kashmir — The land identified by the State Government was not found suitable for establishment of the proposed Centre. The state government has neither allotted suitable land for the establishment of CIPET centre nor has given approval for the contribution of the State;s share of the funds for the establishment of the centre.

62. When asked to state the steps that have been taken to overcome the delay due to rescinding of the contract by CPWD at CIPET, Chennai, the Department submitted that the contract for construction of the New Technology Centre was rescinded by

CPWD on 17<sup>th</sup> November, 2023, as the contractor was unable to complete the work by the stipulated date. The matter was actively pursued by CIPET, Chennai with CPWD officials, following which notice inviting tender was issued on 22<sup>nd</sup> May, 2024 by CPWD. The construction work has been awarded to the new contractor on 2<sup>nd</sup> August, 2024 by CPWD. The work is ongoing and given that the estimated period for completion of work is 16 months, the project is likely to be completed by December, 2025.

63. The Committee then desired to know whether the amount released so far has been utilised or not and the time by which the rest of the amount would be released and fully utilised.

64. On utilization of that of the amount of Rs.47.25 crore released to CIPET; Rs.43.53 Crores were utilized till 31<sup>st</sup> March, 2024. The unspent balance of Rs.3.72 crore, was deposited into the Consolidated Fund of India on 31<sup>st</sup> March, 2024. In 2024-25, CIPET has utilised Rs. 3.30 crore and plans to utilize another Rs.5.45 crore in this financial year while balance amount of Rs.6.30 crore would be utilized in 2025-26. Therefore the full amount of Rs 58.58 Crores approved for upgradation of CIPET for academics would be utilized by 2025-26. During the oral evidence the attention of the representatives of the Department was drawn towards an incident that occurred at CIPET, Hazipur Centre, U.P wherein the name plate of late Shri Ram Vilas Paswan, former Union Minister who was instrumental in establishing the CIPET Centre there was allegedly found in gutter. The Department was on being asked for furnish the full details along with the steps taken/ disciplinary action initiated on the incident and whether the unfortunate incident at CIPET Hajipur was taken very lightly by the Department. In reply the representative submitted that the PG Hostel at CIPET: CSTS, Hajipur and M.Tech (Plastics Technology) Programme was inaugurated by Late Shri Ram Vilas Paswan, the then Hon'ble Minister for Chemicals & Fertilizers and Steel, Government of India, on 26th September, 2007. These Foundation Stones had not been installed but had been kept safely in the Accounts Department. On 4th September, 2024, some media persons entered the CIPET campus, during which they observed that these Stones were placed near the drainage system. This unfortunate incident was brought to the notice of the CIPET senior management on 4th September, 2024. Following this, a three-member Committee was constituted to inquire into the matter. The said Committee submitted its findings on 10th September, 2024. After this matter came to the CIPET management's notice, CIPET has got the Foundation Stone installed in an appropriate manner at the M. Tech. Hostel. The same has been inspected by the Hon'ble Members of Parliament from Hajipur Lok Sabha Constituency who expressed their satisfaction on the same with further instruction to CIPET to be more cautious in the future.

A Suspension Order was issued to the Technician Gr. I on 6th September, 2024 while a Charge Memorandum has been issued to the Director & Head, CIPET, Hajipur in

the case.

65. When asked as to how many CIPET centres are functioning in Uttarakhand at present, it was submitted that CIPET Centre for Skilling and Technical Support (CSTS) Centre has been set up in Dehradun, Uttarakhand, which caters to the requirements of the local industry. The Centre offers Diploma programmes and skill development courses, in addition to providing technology support services to the industry in the areas of plastics processing and testing services.

66. On being asked about under utilization of fund by CIPET, it was submitted that DCPC only provides grants-in-aid to CIPET for capital creation and the Institute has been operating on self-sustaining mode since 2008-09. The BE, RE and Actual Expenditure of CIPET in recent years is as follows:

<b>Year</b>	<b>BE (Rs. crore)</b>	<b>RE (Rs. crore)</b>	<b>Actual (Rs. crore)</b>
2021-22	117.88	102.34	102.34
2022-23	100.24	63.81	63.81
2023-24	92.88	7.28	0.00
2024-25	36.37		18.18 (upto 31st October, 2024)

At the end of FY 2022-23, it was observed that CIPET had an unspent balance available with them. The Department took a comprehensive review of the grants released and their utilization in CIPET. It was decided not to release any fresh funds to CIPET, and efforts were made to maximise utilisation of the unspent funds available with CIPET. Based on the same, an amount of Rs. 74,15,39,637 was utilized during 2023-24 from the unspent funds available from previous years and an amount of Rs. 34,65,71,478 was deposited by CIPET into the Consolidated Fund of India at the close of FY 2023-24. From 2024-25, the Treasury Single Account (TSA) system has been implemented in CIPET to ensure efficiency in the release and utilization of funds and to avoid the issue of parking of funds. For 2024-25, the BE for CIPET is Rs. 36.37 crore, of which Rs. 18.18 crore (50%) has already been utilised. Efforts are being made to ensure full utilisation of funds.

67. The representative during oral evidence of the Department further elaborated about CIPET as follows:-

“So, CIPET was also having the Headquarter at Chennai, and it has got eight institutes of petrochemicals technology, 32 Centre for Skilling and Technical Support, which is basically where we teach skill training programmes, diploma programmes and also give the technical support to the industry. There are three School for Advanced Research in Polymers where the research in polymers and plastic engineering is taking care. There are also four sub-centres which are not independent, but attached to the different other centres.

The functions of CIPET are skill development -- short term vocational training of three / six months to the unemployed youth and then they are successfully placed in the industry. As part of the academic programmes, CIPET teachers Ph.D., M.Sc., M.Sc.(Integrated), M.Tech., B.Tech., BE, Post Graduate Diploma, Post Diploma and Diploma courses. Basically, right from skill to the Ph.D. level we have a whole spectrum of courses. Then, CIPET provides Technology Support services to the industry in terms of designing of the products, for making plastic moulds, testing, inspection and also other consultancy works. And then, in SARPs we undertake research and development also.

(1130/UB/MK)

These are the basically geographical locations and it is located all over the country. About the achievements and activities of the CIPET, for the academic programs, 5046 students passed out of the CIPET. About the skill training programs, CIPET provided skill development or skill upgradation trainings to about 66,500 people and CIPET also undertook 124,507 technical support service assignments to help the industry and other stakeholders. CIPET is basically a self-sustainable organization. So, we do not give any grant for its salary and other day-to-day expenses. The grant is given only for capital or the new projects. CIPET has got many awards, performance awards from various other organizations.

This is basically the research and development achievements for the CIPET and they have published 33 research projects are ongoing right now. They have published about 47 research publications and three patents have been filed where the two technologies have been successfully transferred to the industry. This particular year, 20<sup>th</sup> October, one hostel building of CIPET CSTS, Varanasi and also Plastic Waste Management Centre at Varanasi has been inaugurated by hon. PM. Then two new centres at Bihta in Patna and Bhagalpur are completed and ready for inauguration. Two other Plastic Waste Management Centres at Bengaluru and Bhagalpur are also complete. Two hostel buildings in the existing CIPET centre of Mysuru and Kochi are complete and then ready for inauguration”

### **C. PLASTIC WASTE MANAGEMENT CENTRES (PVMCs)**

68. On being asked about reasons for inordinate delay in the establishment of Plastic waste Management Centres at Bengaluru, Varanasi, Bhagalpur and Sanand it was submitted that initially, some time was taken to identify suitable land by the various State Governments for the establishment of the Plastic Waste Management Centres(PVMCs). The revised Standard Operating Procedure (SOP) was approved by the Department in July, 2023, thereby allowing CIPET to construct the PVMCs

within the existing CIPET centre campuses, wherever the required land was available. The current status of the PWMCs was stated to be as follows:

- a) Varanasi: The construction work as well as procurement of machines and equipment has been completed and the PWMC was inaugurated by the Hon'ble Prime Minister on 20<sup>th</sup> October, 2024.
- b) Bhagalpur: The construction work as well as procurement of machines and equipment has been completed and the PWMC is ready for inauguration.
- c) Sanand: CPWD gave the final estimate on 10<sup>th</sup> May, 2024. However, the process of floating the tender for the award of construction work by CPWD could not be taken up due to the Model Code of Conduct. The construction bid was floated and the work order was issued by CPWD on 6<sup>th</sup> July, 2024. The construction commenced on 8<sup>th</sup> July, 2024 but the site faced water logging due to floods during the monsoon season, which hampered and delayed the construction activities. The construction work is likely to be completed soon.
- d) Bengaluru: Initially, the PWMC was proposed to be set up at CIPET: CSTS, Mysuru but was consequently, shifted to Bengaluru. The Bruhat Bengaluru Mahanagara Palike (BBMP) and CIPET agreed upon establishing the PWMC including the e-waste recycling centre at the existing shed at KCDC Processing Centre. The work at the site has been completed and the plant and machinery has been procured and installed.

69. When asked whether any Plastic Park has been approved and being established at Sitarganj, Uttarakhand by the Department it was submitted that the setting up of a Plastic Park at Sitarganj, Uttarakhand, was approved in December, 2020, at a total project cost of Rs. 67.73 crore, with the Central grant being Rs. 33.93 crore. Of the approved grant, an amount of Rs. 18.64 crore has been released for the project. In order to ascertain the progress made in the project and to take a decision regarding the release of the next installment of funds, a visit to the Plastic Park was undertaken by Department officials in June, 2024. It was observed that the work on development of basic infrastructure in the Plastic Park such as boundary wall, roads, storm water drainage etc. is almost complete while the Plastic Products Evaluation Centre (PPEC) is now being constructed. The road network of about 1536 m. as well as the storm water drainage system of 3000 m is complete. The civil work is about 95% complete. Further, of the total 82 plots, 46 have been allotted to different industries and the SPV is approaching the industry for the remaining plots.

70. On a specific query whether the Department propose to open a PWMC at JagganathPuri, Odisha, where the consumption of Plastic is very high, it was submitted that four PMWCs have been approved at Varanasi, Bhagalpur, Bengaluru and Sanand. Of these, three at Varanasi, Bhagalpur and Bengaluru have already been established while the construction at Sanand is in progress. Based on the performance of these centres, the decision about opening further centres would be taken.

#### **D. INSTITUTE OF PESTICIDE FORMULATION TECHNOLOGY (IPFT)**

71. The Committee have been apprised that the Institute of Pesticide Formulation Technology (IPFT) is an autonomous institute established in 1991, under Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers and Government of India. IPFT is actively engaged in development of state-of-the-art user and environment friendly new generation pesticide formulation technologies, their analysis, efficacy and phytotoxicity studies. The Institute provides R&D support services, quality control and regulatory data generation for the agrochemical and other industries. Till date, the IPFT has developed more than 85 formulation technologies and successfully transferred to various agrochemicals industries. In recent times, it is engaged in the development and optimization of bio pesticides and their formulations and development of innovative formulations like ZC, ZW, FS etc.

72. On being asked about the details of 85 formulation technologies developed and successfully transferred to various agrochemicals industries by IPFT. The Department submitted the details which is placed at Annexure-III.

73. On a specific query to how IPFT is contributing for enriching the functioning of agrochemicals industries, the Department submitted that the IPFT since its inception is serving the agrochemical industries in three verticals such as formulation development, providing analytical services including residue and persistence studies and bio-evaluation studies at field and laboratory (bio efficacy, phytotoxicity, effect on natural enemies, compatibility studies etc.) to meet the regulatory requirements for pesticide formulation registration with various regulators. Further, it also organizes the industry interaction meets on innovative technologies on pesticide formulations and laboratory quality management systems as per ISO 17025:2017 and OECD-Good Laboratory Practices (OECD-GLP) principles. Imparting training to the industry personnel on pesticide formulations, quality assurance, analytical methods development & validation and pesticide application techniques.

74. When specifically asked as to what further needed for optimal functioning of IPFT, the Department submitted that the IPFT is dedicated to work in the area of pesticide formulations and intends to work for development of bio-botanical pesticides and their formulations as an efficient delivery system for the management of various agricultural, stored grain pests, nematode and ticks parasites; establishment of a facility as per ISO 17034 guidelines for the development of Certified Reference Materials in Pesticides at IPFT; establishment of EcoTox facility at IPFT as per OECD-GLP principles and in order to augment the working strength of the Institute recruitment for 5 posts was process. The increase in the working strength will further enhance the functioning of the Institute.

75. The BE, RE and actual expenditure of IPFT are as follows:-



(Rs. in Crore)

Year	BE	RE	Actual
2021-22	12.00	11.50	11.50
2022-23	11.50	11.04	11.05
2023-24	12.62	14.12	14.12
2024-25	20.65	-	-

76. When asked about the reasons for enhanced BE (2024-25) of Rs.20.65 crore as compared to BE (2021-22) of Rs.12.00 crore, the Department submitted that BE 2024-25 of Rs. 20.65 crore has been proposed to be reduced in RE 2024-25 as Rs. 17.15 crore. The enhancement of budget in CCA grant is due to procurement of Liquid Chromatography High Resolution Mass Spectrometry (LC-HRMS) with the estimated cost of Rs 6.0 crore. The LC-HRMS has the capability to analyze the small and large molecules, which can help us to initiate new research activities like metabolomics and proteomics and exposure assessment studies including pesticide resistance studies to identify and characterize large number of metabolites and proteins in a single run with high predictive accuracy. The facilities proposed will also enhance scope of the IPFT to fulfill the goals of Atmanirbhar Bharat mission to strengthen product development and manufacturing industries in India by providing effective analytical solutions to them.

77. When asked to give the details of additional activities to be undertaken by IPFT with enhanced BE of 20.65 crore, it was submitted that BE 2024-25 of Rs. 20.65 crore is proposed to be reduced in RE 2024-25 as Rs. 17.15 crore. The enhancement of budget in CCA grant is due to procurement of LC-HRMS with the estimated cost of Rs. 6.0 crore. The LC-HRMS has the capability to analyze the small and large molecules, which can help us to initiate new research activities like metabolomics and proteomics and exposure assessment studies including pesticide resistance studies to identify and characterize large number of metabolites and proteins in a single run with high predictive accuracy. The facilities proposed will also enhance scope of the IPFT to fulfill the goals of Atmanirbhar Bharat mission to strengthen product development and manufacturing industries in India by providing effective analytical solutions to them. On being asked whether IPFT has taken steps to keep up the good work of utilization of funds in the year 2024-25 too The Department submitted that all efforts will be made to fully utilize the funds in the year 2024-25 also.

78. During evidence the representative apprised the Committee regarding IPFT as follows:

“We have another Institute of Pesticide Formulation Technology. Basically, they work for the development and production of state-of-the-art user and environment-friendly new generation pesticide formulations, promotion of efficient application of technologies and then they basically disseminate this information about the stakeholders such as farmers and industry personals for

the safe manufacturing practices, application, and quality assurances. They provide a lot of services to the industry as well and they also disseminate their information among the scientists and also the other personnel. In the IPFT, 86 technologies have been developed for pesticide formulation since their beginning in 1990s. 64 have been transferred to the industries and demonstrated to farmers.”

**E. Hindustan Insecticides (INDIA) LTD.**

79. When asked to provide the details of fresh loan of Rs. 486.74 crore allocated to HIL (INDIA) Ltd. in RE 2023-24 and how this loan amount has been utilized, the Department submitted that initially HIL(India) Ltd. had proposed for release of Rs 486.74 crore in revised estimate for 2023-24 but HIL(india) was sanctioned an amount of Rs 399.18 crore in FY 2023-24 and rest of Rs 87.56 crore along with Rs 32.50 crore was released in FY 2024-25.

80. The sum of Rs 399.18 crore was received by HIL(India) Ltd on 29-Mar-2024. Out of this sum, HIL(India) has utilized Rs 349.26 crore as on date and the details of utilization are given below:-

S. No.	Sum Utilized	Total(Rs in Crore)
1.	Payment of Union Bank of India dues viz. Cash credit, Term loan and Bank Guarantee.	258.11
2.	Voluntary Retirement Scheme/Voluntary Separation Scheme Liabilities of employees of Bathinda and Udyogmandal units	24.39
3.	Pending Salary Payable of employees of Bathinda and Udyogmandal units	13.54
4.	Ex-Employees Terminal dues viz. Gratuity, EL, etc. of employees of Bathinda and Udyogmandal units	8.28
5.	Statutory payments viz. PF, TDS, etc. of employees of Bathinda and Udyogmandal units	43.93
6.	Wage Revision 2007 arrears of employees of Bathinda and Udyogmandal units	1.01
	<b>Total</b>	<b>349.26</b>

81. When asked as to whether the two units of HIL (INDIA) Ltd. in Udyogamandal and Bathinda have been completely closed down. The Department submitted in the affirmative. Voluntary Retirement Scheme(VRS)/Voluntary Separation Scheme (VSS) have been extended to the employees of Udyogamandal & Bathinda Units under the Policy of the company and 39 employees of Udyogamandal Unit and 51 employees of Bathinda Unit (Total 90 employees) were relieved. Some employees from the both units are retained at the respective units as Skeletal Staff to further carry out the process of complete closure of the unit.

82. On being asked as to whether all the employees/staff of the Udyogamondal and Bathinda Units have been paid Due compensation the Department submitted in the

affirmative and submitted that compensation has been paid to employees who had opted for Voluntary Retirement Scheme(VRS)/Voluntary Separation Scheme (VSS) in both units and no issue has come to the notice of this Department.

83. When asked specifically to state whether all the concerns and issues of the employees of both the units have been properly addressed. The Department replied in the affirmative.

84. On further being asked whether some of the employees of Udyogamondal and Bathinda Units have joined Rasayani Unit of HIL (INDIA) Ltd. the Department replied in the affirmative and stated that before introducing Voluntary Retirement Scheme(VRS)/Voluntary Separation Scheme (VSS) in both the units of HIL(India)Ltd., the employees who had given consent to get transferred to Rasayani Unit, were transferred to Rasayani unit after the approval of competent authority.

85. The details of transferred employees from both units to Rasayani are as under;

- i) 13 employees had been transferred from Bathinda Unit to Rasayani Unit & they had joined at Rasayani Unit.
- ii) 13 employees had been transferred from Udyogamandal Unit to Rasayani Unit & they had joined at Rasayani Unit.

86. When asked to state as to whether the arrears of salaries of employees of Udyogamondal and Bathinda Units have since been disbursed, the Department replied in the affirmative.

When asked as to how much amount of the grant of Rs. 486.74 crore allocated to HIL (INDIA) Ltd. have been utilized as on date, the Department replied that the sum of Rs 399.18 crore was received on 29-Mar-2024 and an amount of Rs 87.56 crore was received on 10-Jun-2024 totalling to Rs 486.74 crore and out of this sum, HIL(India) Ltd. has utilized Rs 365.88 crore as on date and the details of utilization are given below:

<b>S. No.</b>	<b>Sum Utilized</b>	<b>Total (Rs in Crore)</b>
1.	Payment of Union Bank of India on account of Cash credit, Term loan and Bank Guarantee.	258.11
2.	Voluntary Retirement Scheme/Voluntary Separation Scheme liabilities of employees of Bathinda and Udyogmandal.	24.39
3.	Pending Salary Payable to employees of Bathinda and Udyogmandal.	13.54
4.	Ex-Employees Terminal dues viz. Gratuity, EL, etc. of employees of Bathinda and Udyogmandal.	8.28

5.	Statutory payments viz. PF, TDS, etc. of employees of Bathinda and Udyogmandal	43.93
6.	Wage Revision 2007 arrears of employees of Bathinda and Udyogmandal	1.01
7.	Vendor Payments of Bathinda and Udyogmandal units	13.60
8.	Expenditure on account of shifting of plant and machinery from Udyogmandal and Bathinda units to Rasayani unit	3.02
	<b>Total</b>	<b>365.88</b>

87. The Unutilized sum of Rs 120.86 crore will be spent for the following:-

S. No.	Purpose	Amount (Rs in Crore)
1	LIC & Society Deduction of employees of Bathinda unit	0.10
2	Liquidity Damage Charges of PF of employees of Bathinda unit	2.00
3	Voluntary Retirement & Terminal dues and Salary payable up to December, 2024 of Skeletal staff at Udyogamandal and Bathinda units.	3.78
4	Bank guarantee from Union Bank of India.	12.81
5	Vendors dues at Udyogamandal and Bathinda units.	21.69
6	Expenditure on account of shifting of plant and machinery from Udyogmandal and Bathinda units to Rasayani unit.	46.98
7	Liability towards enhanced Gratuity of employees of Udyogamandal and Bathinda units.	0.50
8	Estimated liability towards conversion of land at Moti Nagar, Delhi from Leasehold Land to Freehold for liquidation purpose.	33.00
	<b>Total</b>	<b>120.86</b>

88. During oral evidence, the representatives of the Department further submitted as follows:-

“Sir, one of the PSUs, HIL India Limited was incorporated in 1954 to manufacture DDT. It started functioning at Kochi, Kerala in 1957 and opened other units in Rasayani plant 1977 and another plant in Bhatinda in 2004. It got diversified into agrochemicals in 1986 and then seed production in 2012 and fertilizer business in 2015. It has got annual turnover of about Rs. 200 crore, it is a scheduled CPSU. It also undertakes farmer training programs to educate

farmer on judicious use of the agrochemicals and promoting concept of natural organic farming. In September 2023, it was decided to close down the two loss making plants of the company at Udyog Mandal, Kerala and in Bhatinda, Punjab and it was decided that Rasayani plant is to be strengthened as the company's single manufacturing hub. These are some of the photos for the farmer trainings which are conducted by themselves.”

#### **F. Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) Policy, 2007**

89. Government of India notified the PCPIR Policy, 2007 to attract investment and for generation of employment in the Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). PCPIRs promotes the Chemical and Petrochemical sectors in an integrated and environmentally friendly manner on a large scale. PCPIRs are conceptualized in cluster-based approach with common infrastructure and support services to provide a competitive environment conducive for setting up businesses. At present three Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) are being implemented in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep) to promote investment and industrial development in these sectors under the PCPIR Policy, 2007.

90. The Department under the PCPIR Policy, 2007, total of 3 PCPIRs are being implemented at Dahej, Gujarat, Kakinada, Vishakhapatnam, Paradeep Odisha. A fourth PCPIR at Cuddalore and Nagapattinam was also notified. However, the Government of Tamil Nadu vide its G.O. (Ms). No 36, H&UDD, dated 21.02.2020 has de-notified the Cuddalore and Nagapattinam PCPIR. Thus, as on date there are 3 PCPIR regions. The Department further submitted that Government of India has notified the PCPIR Policy, 2007 to attract investment and for generation of employment in the Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). The PCPIRs promotes the Chemical and Petrochemical sectors in an integrated and environmental friendly manner on a large scale. PCPIRs are conceptualized in cluster based approach with common infrastructure and support services to provide a competitive environment conducive for setting up businesses. These 3 PCPIRs have attracted an investment of Rs 2.6 Lakh Crores and have generated employment to 3,71,263 persons and resulted in establishment of 824 units.

91. On aspects pertaining to review of the PCPIR Policy, 2007 the Department stated they have been engaged in a series of stakeholder consultations with various industry associations at the Central level as well as with the Associations in different States as also those in Tier 3 in different Cities within those States. Thus, for instance, discussions on how to improve the PCPIR infrastructure have taken place with

Nandesari Industries Association in Gujarat, Federation of Andhra Pradesh Chamber of Commerce & Industries in Andhra Pradesh, Odisha Industries Association, Orissa. At the same time, the Department has also been engaged in consultations with different State Governments, particularly those that have the PCPIR regions.

92. On the aspect of delay in the establishment of the PCPIRs, the Department submitted that The PCPIRs are developed in a cluster based approach having an area of more than 250 Sq. Km. Currently, there are 3 PCPIRs functional in the country. These PCPIRs have attracted an investment of Rs 2.6 Lakh Crores and have generated employment to 3,71,263 persons. These PCPIRs are large infrastructure projects having a gestation period of 25-30 years, therefore, various projects are in work in progress and infrastructure development is taking place on a continuous basis.

93. On being asked about outcome of the reviews under taken by the Department of the PCPIR Policy, 2007 and whether all the PCPIRS being implemented by the Department are fully functional and giving optimum performance as envisaged in the policy the following reply was submitted:-

The Department conducts the review meetings of PCPIRs setup under the stated policy from time to time. Based on the feedback received from the States, it has been informed that these PCPIRs have attracted significant investment in the sector. Currently, three Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) are being implemented in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep) to promote investment and industrial development in these sectors.

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

<b>Indicator</b>	<b>Gujarat</b>	<b>Andhra Pradesh</b>	<b>Odisha</b>	<b>Total</b>
Location/ Region	Dahej, Bharuch	Vishakhapatnam– Kakinada	Paradeep	-
Approval	Feb, 2009	Feb, 2009	Dec, 2010	-
Total Area (Sq. kms.)	453.00	640.00	284.15	1377.15
Anchor Tenant	ONGC Petro Additions Limited (OPaL)	--	Indian Oil Corporation Ltd. (IOCL)	-
Investments made (Rs. Crore)	1,28,509	58,918	73,518	2,60,945
Employment generated (No.)	2,45,140	86,123	40,000	3,71,263
No. of Chemical Units	626	150	48	824

These PCPIRs have attracted investment of Rs. 2.6 lakh crore in Petroleum, Chemicals, Petrochemicals and ancillary industries and generated employment to 3.71 lakh persons. Efforts are being made to attract more investment into the PCPIRs.

94. When asked to state as to why the gestation period of PCPIR is long, The Department stated as under:-

“The very concept of PCPIR region is a part of long term vision for the development of the chemical and petrochemical sector, inasmuch as, this concept envisages development of a diverse range of chemical in a cluster format industry as per the demand and needs of the chemical industry as they arise from time to time. Development of such regions involves developing various basic infrastructural facilities such as Road and Rail network, Port connectivity, Air connectivity as well as development of various common utilities such as Common Effluent Treatment Plants (CETP), de-salination plants, bulk liquid chemical storage facilities and concomitant transportation pipelines.

95. The development of aforementioned infrastructural and common utilities are done in a phased manner. After establishing the basic infrastructure and utilities, the industrial units are set up.

96. The representative of the Department further submitted during oral evidence as under:-

“Petroleum Chemicals and Petrochemicals Investment Region policy was notified in year 2007. The aim was to boost manufacturing in chemicals, to bring the upstream as well as downstream industry, and to create the enabling infrastructure for setting up of manufacturing facilities for domestic as well as export-led production. Four PCPIRs were notified, but later on one was denotified. So, we are having three functional PCPIRs right now.

We have one in Dahej, Gujarat; one in Paradeep, Odisha; one in Vishakhapatnam and Kakinada in Andhra Pradesh. So far, in these three PCPIRs we have got investment of about Rs. 2,60,000 crore and 824 units have been set up in these three PCPIRs and they are generating employment of about 3,71,263 manpower.

This is a picture for the PCPIRs, which are all basically situated on the coast so that raw material availability and export are much better in these particular geographies.”

#### **G. Quality Control Orders (QCO)**

97. On the steps taken to check the spurious chemicals and prevention of contamination of Chemicals, the Department submitted that Chemical sector is de-licensed and de-regulated except for few hazardous chemicals. Standards of majority of chemicals issued by Bureau of Indian Standards (BIS), are voluntary in nature.

Department of Chemicals & Petrochemicals has initiated measures to make BIS Standards mandatory for major chemicals and petrochemicals, so that both domestic manufacturers and overseas suppliers meet the BIS parameters so as to protect human, animal or plant health, safety of the environment, prevention of unfair trade practices and national security, under Section 16 of BIS Act, 2016. Accordingly, the Standards of chemicals and petrochemicals are being made mandatory and Quality Control Orders (QCOs) are being notified in the Gazette of India.

98. When asked on the number of Quality Control Orders issued during the last three financial years it was submitted that 26 Quality Control Orders (QCOs) for chemicals and petrochemicals have been made mandatory during the FY 2022-23, 2023-24 and 2024-25 (till date).

99. Quality control orders are issued only in respect of those chemicals or petrochemicals, where there is a need to protect the human, plant or animal health, safety of the environment, prevention of unfair trade practices or national security concerns in terms of section 16 of the BIS act 2016. In fact, the BIS comes out with the quality standards to begin with, which are voluntary in nature. Not every chemical may require mandatory quality control orders in as much as, many of the chemicals are in the nature of intermediates or starting materials that are required for further processing and that get subsumed into the finished products. It may also please be observed that certain chemicals which are hazardous are also controlled through different other legislations such as Insecticides Act, 1968; Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 etc.

100. The Department keeps a very close coordination with various stakeholders in this regard, including the Bureau of Indian Standards, different Departments such as Ministry of Environment Forest and Climate Change and also Central Insecticides Board under Department of Agriculture and Farmers welfare, Food and Safety Standards Authority of India under Ministry of Health and Family Welfare etc. At the same time, before considering issuance of QCOs orders, extensive stakeholder interactions are also done with members of Trade and Industry so that there are no sudden supply chain disruptions, particularly in those cases where there is no or less domestic production capacity as compared to the demand.

101. During oral evidence, the representative submitted as under:-

“Sir, actually under Section 16 of Bureau of Indian Standard Acts, the standards are made mandatory so as to promote the quality manufacturing in the country and to promote the quality in the products being used in the country. So far, we have notified 72 quality control orders in which the 42 are implemented, where 30 we had to extend because of giving more chance to the industry to comply with these regulations.

About the new initiatives which we have taken in this particular year, we have initiated a training program to disseminate the safety standards and how



to increase the safety for the major hazardous units in the country.

We have approved and setup the five new Centres of Excellence for promoting Research and Development in the sector. We have also setup one Viksit Bharat Technology Platform to enable industry-academia collaboration. We have also setup Plastic Waste Management Centres at Bengaluru, Varanasi and Bhagalpur that have been completed. In Sanand, work is in progress and is likely to be completed by this Financial Year end. We have also started our new data management system ChemIndia so that the data of production and other things about the industry is obtained online, and we can also do the resource mapping of chemical and petrochemical industries. Thank you, Sir.”

## **RESEARCH AND DEVELOPMENT IN THE FIELD OF CHEMICALS AND PETROCHEMICALS**

102. On being asked as to whether our country is lacking in research and development in the field of Chemicals and Petrochemicals the Department replied as under:-

“The Department of Chemicals and Petrochemicals implements the New Scheme of Petrochemicals, which includes a component for setting up of Centres of Excellence (CoE). The scheme envisages providing strategic funding for collaborative research starting from basic research to impactful commercial translation. The CoEs are set up with an aim to help in updation/development of new products, new applications, innovation and improvement of technology, process innovation, development of eco-friendly processes and products to minimize waste generation, reduce energy consumption, and utilize renewable feedstocks; development of biodegradable and bio-based chemicals and polymers for various applications; etc. So far, 18 CoEs have been approved under the Scheme.

The CoEs are undertaking pioneering research in their chosen fields. These centres have so far filed 44 patents, published 173 research papers and have developed 22 new products/ technologies. They have also served to resolve some of the research challenges being faced in the sector and have successfully transferred some of their technologies/ products for application in the industry. The Department is helping the CoEs to get further research projects on the subject when the funding from the Department is over. Most of the CoEs are continuing the research work in the subject areas in which the projects were allotted and have also diversified to the other similar research areas. The Department also makes efforts to promote interaction between the CoEs and the industry in order to enable them to explore possibilities for collaboration.

Further, the Department has established a dedicated platform to facilitate interaction and technology matchmaking between the industry and the

academia. This platform enables the R&D organisations to showcase their technologies while allowing the industry to highlight their technological requirements.”

103. When asked to state what are the main areas/issues in the Development of Chemicals and Petrochemicals in which our country is lacking, the Department furnished the following reply:-

“The development of chemicals and petrochemicals in India has made significant progress over the past few decades. However, there are still certain challenges, which are as under:-

1. **Feedstock availability:** Feedstock availability continues to be major concern for Indian chemical & petrochemical industry. India is heavily dependent on imported crude oil and natural gas, which are critical feedstocks for the chemicals and petrochemicals industry. The country imports majority of its crude oil, which affects the competitiveness and sustainability of the industry. Availability as well as pricing of natural gas and naphtha at competitive prices is major constraints.

2. **Scope for more R&D and Innovation:** The technical know how for manufacturing of certain chemicals is not available in the country, as on date. Further, India’s chemical and petrochemical sector has relatively lower R&D investment compared to some developed economies. There is a need for more investment in innovation, technology development, and process optimization to move up the value chain from commodity chemicals to high-value specialty chemicals.”

104. When asked to state what is the budget of the Department for R&D for the current financial year 2024-25 and for the previous financial year, the Department replied as under:-

“The Department implements a scheme for setting up of Centres of Excellence (CoEs) as a sub-scheme under the New Scheme of Petrochemicals (NSP). The scheme envisages providing strategic funding for collaborative research starting from basic research to impactful commercial translation. The CoEs are set up with an aim to help in updation/ development of new products, new applications, innovation and improvement of technology, process innovation, development of eco-friendly processes and products to minimize waste generation, reduce energy consumption, and utilize renewable feedstocks; development of biodegradable and bio-based chemicals and polymers for various applications; etc. So far, 18 CoEs have been approved under the Scheme. In 2023-24, an amount of Rs. 7 crore was approved to be released to the various CoEs under the Scheme. In 2024-25, it is proposed to sanction Rs. 8 crore for the CoEs.”

105. When asked about the roadmap for making 18 CoEs robust and functional in true sense of the spirit in which they were conceived and what constraints are being

faced by the Department for setting up of CoEs the Department replied as under:-

“Under the Scheme for Setting up of Centres of Excellence (CoEs), the Department provides grant-in-aid to identified research institutes with the objective of improving the existing technology and research in the country and to promote development of new applications.

The CoEs are undertaking pioneering research in their chosen fields. These centres have so far filed 44 patents, published 173 research papers and have developed 22 new products/ technologies. They have also served to resolve some of the research challenges being faced in the sector and have successfully transferred some of their technologies/ products for application in the industry. The department is helping the CoEs to get further research projects on the subject when the funding from the department is over. Most of the CoEs are continuing the research work in the subject areas in which the projects were allotted and have also diversified to the other similar research areas. The Department also makes efforts to promote interaction between the CoEs and the industry in order to enable them to explore possibilities for collaboration. In terms of constraints, the industry support is not always ensured for undertaking further research to translate the research findings in industrial applications.”

106. During oral evidence, the representative further supplemented as under:-

“This Scheme for Centre of Excellence is the one in which we support the Government institutions of national repute for the collaborative research with the industry and other stakeholders. This is basically to improve the existing technology and promote development of new applications. The emphasis is on modernization, upgradation of manufacturing processes as well as improving the quality of the products. We give here grant of 50 per cent of the research project cost subject to the ceiling of Rs. 5 crore and rest is contributed by the institute and the industry. So far, we have approved 18 Centres of Excellence in which five Centres of Excellence have been approved in this particular year.”

### **HAZARDUS EFFECTS OF CHEMICAL INDUSTRY**

107. On a specific query as to whether there is a huge concentration of cement plants at Lumshnong in Jaiantia Hills district of Meghalaya and the rivers have turned dead because of cement plant, the Department merely stated that the inputs have been sought from. The final reply will be sent on the receipt of the same.

108. On further being asked whether it was a fact that a study was conducted wherein samples of Lakh river were taken and that river turned blue and when was this study/test undertaken by whom. Whether no living organism has survived in the river because of cement plants and has thus affected the lives of common man and the river has been declared dead. The Department replied as under:-

“The inputs have been sought from Ministry of Environment Forest and Climate Change. The final reply will be sent on the receipt of the same.”

109. On being asked whether toxins are increasing day by day in our environment because of plastic usage and chemicals etc. The Department replied as under

“The inputs have been sought from Ministry of Environment Forest and Climate Change. The final reply will be sent on the receipt of the same.”

110. On a pointed query whether Department is conducting any research to safeguard the lives of people from hazardous effects of chemicals and petrochemicals, the Department replied as under:-

“The Department of Chemicals and Petrochemicals implements the New Scheme of Petrochemicals, which includes a sub-scheme on setting up of Centres of Excellence. The broad areas of research under the Scheme include improvements in production processes to make them more efficient; recycling process technology; development of eco-friendly processes and products to minimize waste generation, reduce energy consumption, and utilize renewable feed stocks; development of biodegradable and bio-based chemicals and polymers for various applications; separation and purification membranes to effectively address environmental concerns; energy efficient processes for innovative product design and development etc.”

111. Foul smell emerges from plastic waste and it is effecting the health of the people. On being asked as to whether the Department is aware about it and whether any steps have also been taken in this regard by the Department, it was submitted as under:-

“The Department submitted that the Plastic Waste Management Rules, 2016, have been notified by the Ministry of Environment, Forest and Climate Change, which provide the statutory framework for management of plastic waste in the country. The responsibility for solid waste management is with the local bodies. DCPC, on its part, promotes the development of bio-based materials as well as recycling of plastic waste. In this context, the Department has approved the setting up of Plastic Waste Management Centres at Varanasi, Bhagalpur, Bengaluru and Sanand. Of these, three at Varanasi, Bhagalpur and Bengaluru have already been established while the construction at Sanand is in progress. The proposed Centres would aim to demonstrate various plastic recycling techniques; to provide effective plastics waste management solutions; to develop eco-friendly and cost-effective value added recyclates; to facilitate start-ups/ prospective entrepreneurs in the relevant field, create awareness on good practices of recycling and to establish digital demonstration facilities on plastic recycling and waste management.”

112. On a pointed query whether chemical industries are responsible for environmental pollution, foul smell in the environment and ground water pollution for all this is happening despite availability of technology to prevent the same and whether rules are not being implemented in letter and spirit to prevent pollution, Department submitted as under:-

“The inputs have been sought from Ministry of Environment Forest and Climate Change. The final reply will be sent on the receipt of the same.”

113. On being asked about the harmful effects of water, pickles, biscuits, chocolates, juice etc. and other edible items packed in plastic container/bottles and consumed by thousands of people and whether high temperature ranging from 45 degree to 51 degree and more renders the contents of the plastic containers harmful for human consumption, the Department furnished the following reply:-

“The plastic containers or bottles used for storing of water, pickles, biscuits, chocolates, juice etc. and other edible items should be made of food grade materials.

The food grade plastics need to comply stringent regulations as per IS/ISO and FSSAI prior to use by the common public as Food-Grade Safe Plastics. The FSSAI has issued Food Safety and Standards (Packaging) Regulations, 2018 under the Food safety and Standards Act 2006. The Regulations provide for general packaging requirements including the materials or metals used and for packaging requirements for specific food products. The salient features of the regulations are:

Every food business operator shall ensure that the packaging material used shall be in accordance with these regulations:

- Any material which comes in direct contact with food or likely to come in contact with food and used for packaging, preparation, storing, wrapping, transportation and sale or service of food shall be of food grade quality.
- Packaging materials shall be suitable for the type of product, the conditions provided for storage and the equipment for filling, sealing and packaging of food as well as transportation conditions.
- Packaging materials shall be able to withstand mechanical, chemical or thermal stresses encountered during normal transportation. In case of flexible or semi-rigid containers, an overwrap packaging may be necessary.
- Food products shall be packed in clean, hygienic and tamper-proof package or container.
- Every food business operator shall obtain the certificate of conformity issued by NABL accredited laboratory against these regulations for the packaging material which comes in direct contact with food or layers likely to come in contact with food to be used.
- There are also Specific Requirements for Primary Food packaging under these Regulations for Plastic materials intended to come in contact with food products.
- Plastic materials used for the manufacturing of containers for packing or storing the food products shall conform to either of the Indian Standards specifications.
- The Drinking Water (both Packaged and Mineral Water) shall be packed in colourless, transparent and tamper-proof bottles or containers made of polyethylene (PE) conforming to IS: 10146 or Polyvinyl chloride (PVC) conforming to IS: 10151 or Polyalkylene terephthalate (PET and PBT)

conforming to IS: 12252 or Polypropylene (PP) conforming to IS: 10910 or food grade Polycarbonate conforming to IS: 14971 or Polystyrene conforming to IS: 10142.

- All pigments or colorants as specified in Indian Standard IS: 9833 may be allowed in plastic containers of five litre and above made of Polycarbonate and Polyethylene Terephthalate (PET) used for packaging of mineral water and packaged drinking water. The containers shall not be less than 85 percent in light transmittance.
- All packaging materials of plastic origin shall pass the prescribed overall migration limit of 60mg/kg or 10mg/dm<sup>2</sup> when tested as per IS 9845 with no visible colour migration.
- Plastic materials and articles shall not release the substances in quantities exceeding the specific migration limits.
- Pigments or Colorants for use in plastics in contact with food products and drinking water shall conform to IS: 9833.
- Products made of recycled plastics including carry bags may be used for packaging, storing, carrying or dispensing of food products as and when standards and guidelines are framed by the Food Authority. Such packaging materials shall also comply with any other national standards/regulations as applicable.

The DCPC has also sought comments on this from the FSSAI, the reply is awaited.”

114. On a further query whether the Department has referred the cases of plastic containers by writing a disclaimer to FSSAI. The Department submitted the following reply:-

“Plastic containers for food packaging have to follow stringent regulations as per the Food Safety and Standards Act, 2006 and Food Safety and Standards (Packaging) Regulations, 2018. Every food business operator shall ensure that the packaging material used shall be in accordance with these regulations. Specific Requirements for Plastic materials intended to come in contact with food products has been prescribed. Plastic materials used for the manufacturing of containers for packing or storing the food products shall conform to either of the Indian Standards specifications as provided in Schedule – III of the Food Safety and Standards (Packaging) Regulations, 2018. The Schedule-III is at **Annexure-II**. These regulations are implemented by the FSSAI and the Department has not referred cases of plastic containers to FSSAI.”

## **CHEMICAL REGULATIONS IN INDIA**

115. On being asked as to whether there is a white paper of the Government on Chemical Regulations in India how does the regulatory authority ensure a stricter chemical regulation regime for zero tolerance of human health and environment hazards due to the harmful chemicals. The Department furnished the following reply:-

“Current Status of regulations related to Chemicals:  
India has several Acts, Rules and Regulations that govern chemical management in the country. Broadly, these legislations relate to:

- Import and export of chemicals
- Manufacturing of chemicals
- Transportation of chemicals
- Consumers' interest in using chemicals
- Protection of human health and environment

Regulations have been framed for each of these subjects. Various Ministries and regulatory agencies at the national and state level are responsible for implementing the laws.

### **Regulations related to Chemical Management**

The key legislations relating to chemicals safety and emergency management are:

- **The Manufacture, Storage and Import of Hazardous Chemical (MSIHC) Rules, 1989/2000** cover 684 chemicals and address emergency plans, safety records and other site-specific issues in the chemical industry.
- **The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996** also relate to requirement of emergency plans at the local and district level for chemical companies.
- **The Insecticides Act (1968) and the Insecticides Rules (1971)** cover all pesticides, herbicides and biocides. These regulations require that all insecticides be registered with the appropriate governing authority and be properly packaged and labeled with all the details.
- **The Public Liability Insurance Act, (1991, 1992)** covers 179 chemicals and requires chemical plants handling these chemicals to take an insurance policy, provide detailed plant information and pay damages in the event of any chemical accidents.

### **Regulations related to Chemical Waste Management**

The main rules related to chemical waste management are:

- The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- The Biomedical Wastes (Management & Handling) Rules, 1998/2016

Implementation of these waste management rules is the responsibility of India's Central Pollution Control Board, the individual State Pollution Control Boards (SPCBs) and also with the State Departments of Environment.

### **Regulations related to Quality, Chemical Safety, and Emergency & Environmental Management:**

Besides the above regulations, some other relevant Rules are applicable to chemicals management. These mostly relate to chemicals transportation, safe production and emergency management plans:

- The Disaster Management Act, 2005
- The Explosives Act, 1884
- The Motor Vehicles Act, 1988
- The Bureau of Indian Standards (BIS) Act 2016
- The Factories Act, 1948
- The Ozone Depleting Substances (Regulation and Control) Rules, 2000

#### **Multilateral Agreements/Conventions:**

Several Multilateral Agreements, to which India is a signatory or partly are Chemical Weapons, Basel, Rotterdam and Stockholm Conventions. These have significant role in managing certain hazardous chemicals and wastes.

**Chemical Weapons Convention (CWC):** India is a signatory and party to the Chemical Weapons Convention (CWC), of the Organization for the Prohibition of Chemical Weapons (OPCW) with Head Quarters at The Hague, Netherlands. The Convention is a universal, non-discriminatory, multi-lateral, disarmament treaty which prohibits the development, production, stock-piling and use of chemical weapons and monitors its elimination in order to secure a chemical weapons free world. India signed the treaty at Paris on 14th day of January 1993. Pursuant to provisions of the Convention, India enacted the Chemical Weapons Convention Act, 2000.

**Stockholm Convention:** The Stockholm Convention, ratified by India on 13.01.2006, is a global treaty to protect human health and environment from Persistent Organic Pollutants (POPs). POPs are chemicals that remain intact in the environment for long periods, become widely distributed geographically, accumulate in the fatty tissue of living organisms and are toxic to human beings and wildlife. POPs travel globally and can cause damage wherever they travel. The Convention that entered into force on 17th May, 2004, lays down that in its implementation, Governments will take measures to eliminate or reduce the release of POPs into the environment.

**Rotterdam Convention:** Rotterdam Convention on Prior Informed Consent Procedures (PIC) that entered into force on 24th February, 2004, is a legally binding instrument, which was adopted on 10th September 1998 by a Conference of Plenipotentiaries in Rotterdam. India acceded to the Convention on 24.05.2006. The Convention seeks to promote shared responsibility and cooperative efforts among State Parties in the international trade of certain hazardous chemicals in order to protect human health and the environment from potential harm. There are 55 chemicals listed in Annex III of the Convention and subject to the PIC procedure. The parties are required to communicate their import policy for these chemicals to the PIC Secretariat. Exporting Party has to provide the export notification to the importing Party in respect of banned or severely restricted chemicals in the importing country.

116. On a pointed query on micro and nano plastics and whether high temperature



melts inside the pickle, Pan Parag, water/soft drink etc. in which they are packed, the Department furnished the following reply:-

“Generally plastic particles of the size ranging from 1 micrometer to 5 millimeters are considered as Microplastics and Plastic particles that are less than 1 micrometer in size are considered as Nanoplastics. The high temperature greatly impacts the quality, safety and durability of the sub standard plastics. Therefore only Food Grade Plastics must be used for food packaging and storage. Plastic containers for food packaging have to follow stringent regulations as per the Food Safety and Standards Act, 2006 and Food Safety and Standards (Packaging) Regulations, 2018.

The DCPC has also sought comments on this from the FSSAI, the reply is awaited.”

117. On the outcome of the recent FSSAI initiative so far to safeguard the health of people from adverse effect of the inputs have been sought from FSSAI and the final reply will be sent on the receipt of the same.

118. On being asked the safety quotient of food grains stored in imported plastic containers in Madhya Pradesh, the Department replied that the inputs have been sought from FSSAI & Food Corporation of India and the final reply will be sent on the receipt of the same.

## **DEMAND AND SUPPLY OF MAJOR PETROCHEMICALS**

119. On being asked whether the forecasted demand for the major petrochemicals will be met for 2025, the Department furnished the following reply:-

“Petrochemical Cracker plants are the basic manufacturing plants for production of petrochemicals and polymers. Presently there are 12 Naphtha /Dual feed cracker complexes in operation with combined ethylene capacity of about 8.7 million tonnes per annum and Propylene capacity of 7.4 million tons per annum. In addition, there are seven aromatic complexes in operation with a combined Purified Terephthalic Acid capacity of about 6.4 million tonnes. Presently, major investments and domestic capacity building is taking place for petrochemicals, like Polyethylene, Polypropylene, SBR and Butyl acrylate, wherein the industry will be able to meet domestic demand significantly. However, for PVC, though 2 major investments are upcoming, due to significant increase in demand more capacity building would be required. In the case of the MEG and Acetic Acid due to insufficient domestic production capacity, the country is dependent on the imports. There's an ongoing capacity expansion in the petrochemical sector with investments of ₹4.5 Lakh Crores to boost Polypropylene (PP) and Polyethylene (PE) production. The anticipated Domestic demand-supply of major petrochemicals in year 2025 is explained as under:

**Figures in KT**

Product	Present Capacity	Expected Demand (2025)	Gap (2025)
Polyvinyl Chloride (PVC)	1672	5885	4213
Polypropylene (PP)	7050	9440	2390
LLDPE+HDPE+LDPE(PE)	7170	10430	3260
MEG	2705	3073	368
SBR/Butyl Rubber	649	803	154
Acetic Acid	166	1320	1154
Butyl Acrylate	340	484*	144

\*In the case of Butyl Acrylate, the expected demand stated earlier vide *Background note on "Demand and Availability of Petrochemicals including Imports and Exports", Department of Chemicals and Fertilizers, September 2020* was 254 KT which was lower and the actual demand increased substantially thereafter, therefore the deficit is calculated using actual present demand of 484 KT".

120. On being asked about additional capacity that has been installed in the production of major petrochemicals in the past 5 years. The Department replied as under:-

"There are 12 Naphtha /Dual feed cracker complexes in operation with combined ethylene capacity of about 8.7 million tonnes per annum and Propylene capacity of 7.4 million tons per annum. Major Petrochemicals players in India are Indian Oil, RIL, HMEL, HPL, GAIL, MCPI, MRPL & BCPL. More than 3300 KT of additional capacity was added to the production of major petrochemicals over the past 5 years. The details are as under:

Companies	Capacity in KT
HMEL	Total:1700 KT (PP-500 KT, PE-1200 KT)
Nayara	PP-450KT
Deepak Phenolics	Phenol-200 KT
Reliance	PIA-150 KT
Indorama	PET-230 KT
IOCL	PP-200 KT

121. During Evidence the representative of the Department further deposed as follows:

"As we want to increase our growth size to about US \$300 billion. So, these are

the growth drivers like demographic dividends present in the country, and very good availability of skilled manpower. Right now, the chemical consumption per capita in the country is very low compared to all the other countries, especially the developed countries. There is a lot of scope or opportunity for increasing it. So, there is a large amount of scope for increase in the chemical sector. We hope that with the growing policy support in favour of the industry and Make in India, we will be able to achieve our targets of US \$300 billion.”

### **Import and Export of petrochemicals**

122. The Committee desired to know whether there is any chemical which India is importing as well as exporting. The Department submitted that there are many chemicals where India is both importing as well as exporting. It may please be observed that the chemical sector in the country is un-regulated except for certain hazardous chemicals or those which are in the nature of Persistent Organic Pollutants (POPs). Further, the Indian chemical industry is an integral part of the global supply chain, as such, it is free to import and export chemicals as per the demands of market forces. It is also observed that given the vast geographical expanse of the country, many times in respect of quite a few chemicals, such as Soda Ash, the downstream industry which consumes these chemicals and which is located in Southern India or on the eastern coast, often finds it economical to import these chemical at the ports on South or east side, such as Tuticorin, rather than procuring those chemicals from domestic manufacturers which are located on the western coast, such as in the State of Gujarat. This is because freight cost from West Coast to South/East Coast often contributes as much as 20% of the manufacturing cost of the chemical in question.

## RECOMMENDATIONS/OBSERVATIONS

### PROPOSED AND APPROVED ALLOCATION FOR THE YEAR 2024-25

The Committee note that the Department has been allocated an amount of Rs.209.00 crore for the financial year 2022-23 which was subsequently increased to Rs. 259.11 crore for the year 2024-25 at the RE stage. This was purportedly due to the loan given to HIL (India) Ltd. for closure of two of its units and payment of the statutory payments to be made to employees at Head Office, Rasayani Unit and also five sales offices of HIL (India) Ltd. The Committee further note that though overall allocation has increased, the scheme-wise allocation appears to have declined. For instance, for other new schemes of petrochemicals, the Department projected a BE of Rs. 42.3 crore but were allocated an amount of Rs.25.00 crore only. Similarly, the Department projected BE of Rs.62.58 crore for CIPET but were allocated just Rs. 36.37 crore and IPFT too got reduced allocation of funds as compared to the projected amount. The Committee are, however, happy to note utilization of more than 70% of the BE by October 2024. The Committee desire that the Department should gear up its machinery for maximum performance with the allocation it has received for its schemes/programmes.

### ALLOCATION AND UTILIZATION OF FUNDS DURING THE LAST THREE YEARS.

2. The Committee note that BE (2021-2022) which stood at Rs.233.14 Crore was reduced to Rs. 209.00 Crore in the year 2022-23 and saw a further reduction to Rs. 173.45 Crore in the year 2023-24 which was then raised in BE 2024-25 to Rs. 259.11 Crore. The Department *inter-alia* submitted that the reason was adoption of single Central Nodal Agency (CNA) system for release of funds, according to which the funds are to be released to the implementing agencies on a just-in-time basis. The pooling of funds with the implementing agencies is not possible in this system and all the Centres of Excellence (CoEs) and Plastic Parks have adopted this system where the funds are released as per the actual requirement based on the actual expenditure. The Committee observe that the reason cited do not appear to be a satisfactory explanation for the downward trend in BE of the Department. Similarly, on the declining RE for the years 2021-22 and 2022-23, the Department

submitted that the reduction is mainly due to reduced allocation for New Scheme of Petrochemicals and unspent amount with CIPET due to implementation of revised procedure of flow of funds under the Central Sector Scheme from the financial year 2022-23. The Committee are of the considered view that the Department should look into the matter holistically for optimal utilization of allocated funds so as to be admissible to seek higher BE in terms of the requirements of the new single CNA System. The Committee feel that any new system of flow of funds should make the process more robust and cannot be allowed to act as hindrance in optimal utilization of funds. The Committee would like to be apprised about the steps taken by the Department in this regard.

### **SETTING UP OF PLASTIC PARKS**

3. The Committee note that the scheme of Plastic Parks was formulated way back in the year 2011 and so far 10 Plastic Parks have been approved and are stated to be at different levels of Implementation. The Committee are, however, pained to note that the laudable objectives of the Plastic Parks *viz.* to consolidate and synergise the capacities of downstream Plastic industry to help increase investment production, exports and employment generation stood defeated as none of the Plastic Park is fully functional. In the case of Plastic Parks at Tamot, Madhya Pradesh, only 26 Plots out of 172 could be allotted; in the case of Plastic Parks at Tinsukia, Assam, only 66 Plots out of 104 could be allotted, in the case of Plastic Parks at Bilaua, Madhya Pradsh, only 02 plots out of 107 could be allotted; and in cases of Plastic Parks at Deoghar, Jharkhand; Thirmuallan, Tamil Nadu; Sarora, Chhattisgarh; and Ganjimutt, Karnataka having 102, 65, 48 and 53 number of plots respectively, no plots could be allotted. The Committee are even more concerned to observe the monumental challenge faced by the Department in populating the Plastic Parks. The Committee are of the considered view that the optimal delivery of the Plastic Parks as envisaged would happen only by incentivizing industrial entities to set up their units in the Plastic Parks. The Committee are, therefore, perturbed to note inordinate delays in the delivery mechanism for making all the Plastic Parks fully functional. The Department has submitted that the implementation of the Plastic Parks is largely dependent on the Special Purpose Vehicles (SPVs) set up by the State Governments or their agencies and progress of the Plastic Parks is dependent on the State

Governments. The Committee are of the view that the Department cannot shy away from their bounden duty to coordinate with the respective State Governments for expeditiously making the Plastic Parks fully functional as envisaged in the 'New Schemes of Petrochemicals' of the Department. The Committee, therefore, recommend that the Department should draw up a timeline for effective coordination with the respective State Governments to iron out the constraints and challenges faced. The Committee may be apprised of the action taken in the matter.

#### **CENTRES OF EXCELLENCE (COEs)**

4. The Committee note that the Scheme of CoEs seeks to provide grant-in-aid to educational and research Institutes to improve existing technology and promote development of new applications. Further, the CoEs are set up with an aim to help in development of new products, new applications, innovation and improvement of technology, process innovation, quality and environmentally sustainable development. The Scheme of CoEs was earlier restricted to Petrochemicals but now the Scheme has been expanded to include the Chemical sector too. The Committee have been apprised that as on date, 18 CoEs have been approved. The Department reviews the requirements of the Sector and accords approval for new CoEs based on the needs of the industry and the quality of research proposals received. Keeping in view the laudable objectives of the CoEs, the Committee opine that only 18 CoEs for the entire Country seems to be inadequate and the number needs further augmentation. The Committee, therefore, desire that the Department may come forth with a roadmap on CoEs for the entire nation to bring the R&D and technology in Chemical and Petrochemical Sector on par with other developed nations. The Committee would like to be apprised of the steps taken by the Department in this regard.

#### **NEW SCHEMES OF PETROCHEMICALS (NSPs)**

5. The Committee note with concern that the actual expenditure under the New Schemes of Petrochemicals has reduced to Rs. 18.00 Crore in the year 2023-24 from Rs. 51.12 crore in the year 2021-22. The RE of New Schemes of Petrochemicals has also declined to Rs. 25.00 Crore in the year 2024-25 from Rs. 51.13 crore in the year 2021-22. The BE too has declined to Rs. 22.00 crore

in the year 2023-24 from Rs. 53.73 crore in the year 2021-22. The Department cited the same reason that it has adopted the single Central Nodal Agency (CNA) system for release of funds, according to which funds are to be released to the implementing agencies on a just-in-time basis. As regards the Physical targets under NSP, the Committee are perturbed to note that targets set for the years 2023-24 and 2024-25 was 'NIL.' The Committee was apprised that when the Standing Finance Committee (SFC)'s recommendation for setting up of 05 Plastic Parks was sent to the Department of Expenditure, Ministry of Finance, it was suggested that the proposal be brought before them after completion of the ongoing projects and also when their output as well as outcomes become clear. The Committee are dismayed to observe that the non-completion of ongoing Plastic Parks Projects and delays in their output/outcomes have affected the approval and disbursement of funds for new targets set. The Committee, therefore, recommend that the Department should streamline its existing machinery with an overall objective to obviate scope for such negative eventualities.

#### **CENTRAL INSTITUTE OF PETROCHEMICALS ENGINEERING AND TECHNOLOGY (CIPET)**

6. The Committee note that for construction of residential hostels of CIPET, an amount of Rs. 260.98 crore has been released out of Rs. 292.77 crore approved since the year 2012-13. The Committee are, however, pained to note that the construction of residential hostels is still pending at CIPET, Mysore, Imphal and Baddi. Similarly out of 11 CIPET Centres approved in the year 2015-2016, while 07 CIPET Centres have since been set up but four (04) CIPET Centres viz, Bhagalpur, Nasik, Maharashtra and Jammu and Kashmir are still pending. The Committee desire that the work of setting up of CIPET Hostels as well as CIPET Centres may be expedited and completed in a time bound manner.

7. The Committee are dismayed to note that CIPET had to deposit the unspent balance amount out of Rs. 74.15 crore lying with it and due to unspent funds lying with CIPET, further funds were not released in the year 2023-24. The Committee note a slight improvement in the year 2024-25 wherein an amount of Rs. 36.37 crore allocated at BE stage an amount of Rs. 18.18 crore have already been utilized. The Committee recommend that the CIPET should make all out

efforts towards utilization of allocated funds.

#### **PLASTIC WASTE MANAGEMENT CENTRES (PWMCs)**

8. The Committee note that the process of setting up of PWMCs which was delayed for years together due to problems in acquisition of land etc. got an upstart with the decision of the Department to establish PWMCs within the premises of existing CIPET Centres. The Committee are happy to note that PWMC, Varanasi has been completed and inaugurated on 20.10.2024 while the work pertaining to construction as well as the machines and equipments has been completed in case of PWMC, Bhagalpur. Admittedly, PWMC, Sanad and PWMC, Bengaluru are in progress. While appreciating the decision taken by the Department to establish the PWMCs in the existing CIPET centres, the Committee hope and trust that the Department would be able to set up these two PWMCs also without further loss of time.

#### **INSTITUTE OF PESTICIDES FORMULATION TECHNOLOGY (IPFT)**

9. The Committee note that the fund utilization of IPFT is appreciable and it has been able to utilize the whole amount allocated to it viz. RE for the year 2021-22, 2022-23 and 2023-24 which was Rs, 11.50 Crore, Rs. 11.04 Crore and Rs. 14.12 crore were fully utilized. The Committee expect that IPFT should keep its good track of fund utilization in the year 2024-25 too and also in the ensuing financial years. Admittedly, IPFT, is dedicated to work in the area of pesticide formulation and development of bio-botanical pesticides and their formulations. The Committee were apprised that to augment the working strength of IPFT, recruitment of 05 post is stated to be in progress. The Committee desire that good work of the IPFT should not be allowed to suffer because of vacancies at any level. The Committee, therefore, desire that the vacancies should be filled up expeditiously. The Committee would like to be apprised of the steps taken by the IPFT and the Department in this regard.

#### **PETROLEUM CHEMICALS AND PETROCHEMICALS INVESTMENT REGIONS (PCPIRS)**

10. The Committee note that the Department notified the PCPIR policy way back in the year 2007 to attract investment and also for generation of employment in the



**Petroleum, Chemicals and Petrochemicals Investment Regions. PCPIRs were conceived to promote the Chemicals and Petrochemicals sector in an integrated and environmentally friendly manner on a large scale. At present three PCPIRs at Vishakhapatnam, Andhra Pradesh, Dahej, Gujarat and Paradeep, Odisha are being implemented by the Department under the PCPIR policy 2007. As regards achievement of their objective of attracting investment and generation of employment the Committee note that these three PCPIRs have attracted an investment of Rs. 2.6 Lakh Crore and have generated employment to 3,71,263 persons and have resulted in establishment of 824 units. The Committee are, however, of the view that these PCPIRs have much more potential provided their capacity is augmented to the optimum level. In this regard, the Committee note that at PCPIR, Visakhapatnam, the Department is still struggling for setting up a Anchor unit which is hampering the progress of making the PCPIR, Visakhapatnam fully functional. The Committee recommend that the Department should look into the matter and initiate measures for speedy corrective action with a view to make these three PCPIRs fully functional at the earliest. The Committee also desire that the outcome of a series of stake holder consultations with various industry associations at the Central level as well as with the associations in different States to improve the PCPIR infrastructure purportedly being organized by the Department, may also be furnished to the Committee.**

#### **QUALITY CONTROL ORDER**

**11. The Committee have been informed that the Chemical sector is de-licensed and de-regulated except for few hazardous chemicals. Further, standards of majority of chemicals issued by Bureau of Indian Standards (BIS), are voluntary in nature. In this regard the Department of Chemicals & Petrochemicals is stated to have taken measures to make BIS Standards mandatory for major chemicals and petrochemicals, so that both domestic manufacturers and overseas suppliers meet the BIS parameters so as to protect human, animal or plant health, safety of the environment, prevention of unfair trade practices and national security in terms of the provisions, under Section 16 of BIS Act, 2016. Accordingly, the Standards of Chemicals and Petrochemicals are being made mandatory and Quality Control Orders (QCOs) are being notified in the Gazette of India. In this regard, the Committee note that as on date 26 Quality Control Orders for Chemicals and**

Petrochemicals have been made mandatory during the years 2022-23, 2023-24 and 2024-25. Keeping in view the need of the hour for a stricter Quality Control regime, the Committee desire that the Department review the extant Quality Control Orders for Chemicals and Petrochemicals with a view to find out whether they are sufficient to curb the growing menace of contamination and pollution that the present Society is facing in multifaceted ways. The Committee may be apprised of the action taken in this regard.

#### **PETROCHEMICAL RESEARCH AND INNOVATION COMMENDATION (PRIC)**

12. The Committee note that the Department is implementing an Award Scheme since the year 2010-11 to provide incentive for meritorious innovations and inventions in various fields of Petrochemical and downstream plastic processing industry. The Committee further note that the Department is popularizing the scheme to make the general public aware through advertisement in leading national news papers both English and Hindi as well as in regional news papers, websites of the Department as well as that of CIPET for wide popularity of the scheme besides development of the portal by CIPET for inviting nominations for the commendation. The Committee were apprised that on the directions of Ministry of Home Affairs (MHA), only commendation certificates are being given and cash awards have since been discontinued. Admittedly, the Department maintain a database of innovation based on which the awards are given and due recognition are generated by these awards on the innovations which provides awareness in the industry regarding these new technologies, facilitating collaboration and adoption of these innovations. The Committee desire that more and more industrial applications may be made out of these innovations so that the actual benefits of these innovations are accrued by the Sector.

#### **DOMESTIC PRODUCTION OF PETROCHEMICALS**

13. On the question whether forecasted demand for the major petrochemicals will be met for the year 2025, the Department apprised the Committee that the production capacity of major petrochemicals has witnessed sluggish growth over the past seven years, resulting in a projected reliance on imports to meet the demand for 2025. Keeping in view the fact that petrochemicals such as

Polyvinyl Chloride (PVC) and Acetic Acid recorded low domestic production rates of 28.4% and 12.57% respectively, the Committee seeks urgent attention of the Department to address this woeful situation. The Committee desire that necessary measures be undertaken to augment requisite capacity building in the Sector and also attract investment so as to bolster the domestic production of these key petrochemicals to reduce dependency on imports. The Committee also desire that appropriate measures should also be taken to bridge the production gap in Polypropylene (25.4%), PE (31.3%), MEG (11.89%), Butyl Rubber/SBR (19.2%) and Butyl Acrylate (29.8%). The Committee may be apprised of the action taken in the matter.

#### **HAZARDOUS EFFECTS OF CHEMICAL INDUSTRY**

14. The Committee observe that as regards the outcomes of the FSSAI project on Micro- and Nano-Plastics as Emerging Food Contaminants sought by the Committee, the Department has merely stated that comments from FSSAI has been sought that the response is still pending. Keeping in view the growing concerns over microplastic contamination in food caused by food packaging, the Committee desire that the Department of Petrochemicals and FSSAI come out with stringent regulations requiring packaged drinking water/food manufacturers to display the safety limits of exposure of the food in terms of minimum as well as maximum tolerance temperature limits besides the usual shelf life of the food product. The Committee would like to be apprised of the progress and findings on the matter.

15. The Committee note that a detailed note on the contamination caused to the River Lukha located in Jaintia Hills District of Meghalaya State due to cement factories located in the area was sought from the Department of Chemicals and Petrochemicals (DCPC). The Committee are, however, dismayed that the Department in their reply have merely stated that the inputs have been sought and will be furnished on receipt of the same. The Committee desire that the matter may be taken up with due seriousness considering the gravity of the issue and the health hazards that it poses to inhabitants as well as to the ecosystem. The Committee, therefore, recommend that a detailed note on the contamination of the River 'Lukha' may be furnished to the Committee, after an

**Independent Enquiry into Reports of deadly contamination by chemical waste from Cement Factories which resulted in death of Fishes and the River turning blue, is conducted in consultation/association with the local Members of Parliament and the State Pollution Control Board. The Committee also desire that in future, representatives of the affected people in the region, more specifically the local Member of Parliament may be kept in the loop on all matters concerning this grave and serious issue of contamination and its deleterious effects of River Lukha in the Jaintia Hills of Meghalaya State. The Committee may be apprised of the action taken in the matter within a period of three months of presentation of this Report to the House.**

**New Delhi;  
.... December, 2024  
..... Agrahayana, 1946 (Saka)**

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

**STANDING COMMITTEE ON CHEMICALS AND FERTILIZERS  
(2024-25)**

**Minutes of the Fourth Sitting of the Committee**

The Committee sat on Wednesday, the 13<sup>th</sup> November, 2024 from 1100 hrs. to 1330 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Azad Kirti Jha – Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Robert Bruce C.
3. Shri Bharatsinhji Shankarji Dabhi
4. Smt. Kriti Devi Debbarman
5. Shri Babu Singh Kushwaha
6. Shri Utkarsh Verma Madhur
7. Shri Balram Naik Porika
8. Shri Sachithanantham R.
9. Shri Eatala Rajender
10. Shri Daggumalla Prasada Rao
11. Dr. Ricky Andrew J. Syngkon

**RAJYA SABHA**

12. Shri Subhash Barala
13. Shri Niranjana Bishi
14. Shri Subhash Chandra Bose Pilli
15. Shri Meda Raghunadha Reddy
16. Dr. Kalpana Saini
17. Shri Akhilesh Prasad Singh
18. Shri Tejveer Singh

**SECRETARIAT**

- |                         |   |                      |
|-------------------------|---|----------------------|
| 4. Smt. Suman Arora     | - | Additional Secretary |
| 5. Ms. Miranda Ingudam  | - | Director             |
| 6. Shri Kulvinder Singh | - | Deputy Secretary     |
| 7. Shri Nagendra Suman  | - | Deputy Secretary     |
| 8. Shri Abhishek Kumar  | - | Deputy Director      |
| 9. Ms. Neelam Bhawe     | - | Committee Officer    |

## LIST OF WITNESSES

### **Representatives of Department of Chemicals and Petrochemicals**

1. Ms. Nivedita Shukla Verma, Secretary (C&PC)
2. Shri Manoj Sethi, Joint Secy. & FA
3. Shri Deepankar Aron, Joint Secretary
4. Shri Deepak Mishra, Joint Secretary
5. MS. Divya Parmar, Economic Adviser
6. Dr. Shishir Sinha, DG, CIPET
7. Dr. Mohana Krishna Reddy Mudian, Director, IPFT
8. Ms. Renuka Kanchan, Registrar
9. Shri Kanishk Kant Srivastava, Director
10. Shri Ram Sajeevan, Director
11. Ms. Shalini Mahajan, Joint Director

### **Representative of Public Sector Undertakings (PSUs)**

1. Shri Sajeev B., CMD, HOCL
2. Shri Kuldeep Singh, CMD, HIL
3. Dr. Rohit Misra, Deputy Industrial Adviser

2. At the outset, the Chairperson welcomed the representatives of the Department of Chemicals and Petrochemicals (DCPC), Ministry of Chemicals and Fertilizers to the Sitting of the Committee convened to take oral evidence of the Department on 'Demands for Grants (2024-25)'. Their attention was then drawn to Direction 55(1) of the 'Directions by the Speaker' regarding confidentiality of the proceedings of the Committee.

3. The Chairman in his opening remarks sought the response of the Department on various aspects pertaining to the DFG (2024-25) of the Department viz. the proposed budgetary allocations for the year 2024-25 *vis-à-vis* funds allocated to the Department, reasons for lesser allocation of funds to the Department and how it would adversely affect various schemes/programmes of the Department, steps being taken to expedite implementation of various schemes/programmes of the Department; the major thrust areas of the Department during the year, etc. The reasons for under-utilization of the allocated funds to the Department, delay in setting up of Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs), Plastic Parks and Plastic Waste Management Centres (PWMCs) etc. were also highlighted.

4. The Secretary, DCPC briefed the Committee through a Power Point Presentation on various aspects related to examination of Demands for Grants. The Secretary, DCPC also informed the Committee about export/imports of Chemicals and Petrochemicals, Global Chemical Sales by Country, Growth Drivers for the Sector, Projected Market Size of Sector, FDI in Chemical Sector, Centers of Excellence (CoE), Chemical Promotion & Development Scheme (CPDS), Central Institute of

Petrochemicals Engineering & Technology (CIPET)'s - National Presence, Objectives of the Institute of Pesticide Formulation Technology(IPFT), Accreditations of IPFT, HIL(India) Limited, BIS Quality Control Orders (QCOs), etc.

5. The Committee, thereafter, sought clarifications on certain issues related to examination of Demands for Grants of the DCPC for the FY 2024-25 which were responded to by the representatives. On the points requiring detailed and statistical information which was not readily available, the Chairperson asked the Secretary, DCPC to furnish written replies thereto and also to the queries raised by the Members which remained unanswered during the Sitting of the Committee, within 2-3 days.

(The witnesses then withdrew)

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

***The Committee then adjourned.***

**STANDING COMMITTEE ON CHEMICALS AND  
FERTILIZERS (2024-25) MINUTES OF THE SIXTH  
SITTING**

The Committee sat on Thursday, the 12<sup>th</sup> December, 2024 from 1500 hrs. to 1600 hrs. in the Committee Room 'D', PHA, New Delhi.

**PRESENT**

**SHRI AZAD KIRTI JHA - CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Brijmohan Agrawal
3. Shri Robert Bruce C
4. Smt. Kriti Devi Debbarman
5. Dr. Kalyan Vaijinathrao Kale
6. Shri Babu Singh Kushwaha
7. Shri Utkarsh Verma Madhur
8. Dr. Sambit Patra
9. Shri Balram Naik Porika
10. Shri Sachithanantham R.
11. Shri Eatata Rajender
12. Shri Daggumalla Prasada Rao
13. Shri Tharaniventhan M.S.
14. Dr. Ricky Andrew J. Syngkon
15. Shri Shivmangal Singh Tomar

**RAJYA SABHA**

16. Shri Subhash Barala
17. Shri Subhash Chandra Bose Pilli
18. Shri Meda Raghunadha Reddy
19. Dr. Kalpana Saini
20. Shri Akhilesh Prasad Singh
21. Shri Tejveer Singh

**SECRETARIAT**

- |                         |   |                      |
|-------------------------|---|----------------------|
| 1. Smt. Suman Arora     | - | Additional Secretary |
| 2. Ms. Miranda Ingudam  | - | Director             |
| 3. Shri Kulvinder Singh | - | Deputy Secretary     |
| 4. Shri Nagendra Suman  | - | Deputy Secretary     |
| 5. Shri Abhishek Kumar  | - | Deputy Director      |
| 6. Ms. Neelam Bhawe     | - | Committee Officer    |

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



- (i) XXXX            XXXX            XXXX            XXXX,
- (ii) XXXX            XXXX            XXXX            XXXX,
- (iii) XXXX            XXXX            XXXX            XXXX;
- (iv) Fourth Report on 'Demands for Grants (2024-25)' pertaining to the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers and
- (v) XXXX            XXXX            XXXX            XXXX.

3. Giving an overview of the important Observations/Recommendations contained in the draft Reports, the Chairperson solicited the views/suggestions of the Members.
4. After some deliberations, the draft Reports were adopted by the Committee without any amendment.
5. The Committee then authorized the Chairperson to finalize the Reports and present/lay the Reports in both the Houses of Parliament in light of factual verifications received from the concerned Ministry/Departments.

***The Committee then adjourned.***