

# **THIRD REPORT**

## **STANDING COMMITTEE ON CHEMICALS & FERTILIZERS (2004-05)**

**(FOURTEENTH LOK SABHA)**

### **DEMANDS FOR GRANTS**

**(2004-2005)**

#### **MINISTRY OF CHEMICALS & FERTILISERS (DEPARTMENT OF CHEMICALS & PETROCHEMICALS)**

*[Action Taken by the Government on the Recommendations contained in the First Report (Fourteenth Lok Sabha) of the Standing Committee on Chemicals & Fertilizers (2004-05) on 'Demands for Grants (2004-2005) of the Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals)']*

*Presented to Lok Sabha on 21.12.2004*

*Laid in Rajya Sabha on 21.12.2004*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 2004/Agrahayana, 1926 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON CHEMICALS & FERTILIZERS**

(2004-05)

**Shri Anant Gangaram Geete - Chairman****Members  
Lok Sabha**

2. Shri Afzal Ansari
3. Shri Jai Prakash
4. Shri Prahlad Joshi
5. Shri Sukhdev Singh Libra
6. Shri Punnulal Mohale
7. Shri A.K. Moorthy
8. Shri P. Rajendran
9. Shri A. Venkatarami Reddy
10. Kunwar Akshyay Pratap Singh
11. Shri V.K. Thummar
12. Shri Bhanupratap Singh Verma
13. Shri Mansukhbhai D. Vasava
14. Shri Bhal Chandra Yadav
- \*\* 15. Shri A.K.S. Vijayan
- \*\* 16. Shri Tek Lal Mahto
- \*\* 17. Shri T. Madhusudhan Reddy
18. Vacant
19. Vacant
20. Vacant
21. Vacant

**Rajya Sabha**

22. Shri Gireesh Kumar Sanghi
23. Shri Raju Parmar
24. Shri Ajay Maroo
25. Dr. Chhatrapal Singh Lodha
26. Shri Sanjay Rajaram Raut
27. Shri R. Shunmugasundaram
28. Shri Raj Mohinder Singh
29. Shri T.R. Zeliang
- \* 30. Shri B.S. Gnanadesikan
31. Vacant

\* Nominated to this Committee w.e.f. 24.9.2004

\*\* Nominated to this Committee w.e.f. 16.11.2004

(iv)

**Secretariat**

1. Shri P.D.T. Achary - *Additional Secretary*
2. Shri M. Rajagopalan Nair - *Joint Secretary*
3. Shri C.S. Joon - *Deputy Secretary*
4. Shri S.C. Kaliraman - *Under Secretary*
5. Shri Santosh Kumar - *Committee Officer*
6. Smt. Madhu Bhutani - *Senior Executive Assistant*

## **INTRODUCTION**

I, the Chairman, Standing Committee on Chemicals & Fertilizers (2004-05) having been authorised by the Committee to submit the Report on their behalf, present this Third Report on Action Taken by the Government on the recommendations contained in First Report (Fourteenth Lok Sabha) of the Standing Committee on Chemicals & Fertilizers (2004-05) on 'Demands for Grants (2004-2005) of Ministry of Chemicals & Fertilisers, Department of Chemicals & Petrochemicals'.

2. The First Report of the Committee was presented to Lok Sabha on 20<sup>th</sup> August, 2004. The Replies of Government to all the recommendations contained in the First Report were received on 25<sup>th</sup> November, 2004. The Standing Committee on Chemicals & Fertilizers (2004-05) considered the Action Taken Replies received from the Government and adopted the Draft Action Taken Report at their sitting held on 16<sup>th</sup> December, 2004.

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

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

**NEW DELHI**  
**December 20, 2004**  
**Agrahayana 29, 1926 (Saka)**

**ANANT GANGARAM GEETE,**  
***Chairman,***  
***Standing Committee on***  
***Chemicals & Fertilizers.***

## CHAPTER – I

### REPORT

This Report of the Committee deals with the action taken by the Government on the recommendations contained in the First Report (Fourteenth Lok Sabha) of the Standing Committee on Chemicals & Fertilizers (2004-05) on 'Demands for Grants (2004-05) relating to Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals' which was presented to Lok Sabha on 20<sup>th</sup> August, 2004.

2. The Ministry of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals) was requested to furnish replies to the recommendations contained in the First Report within three months from the presentation of the Report i.e. by 20<sup>th</sup> November, 2004. The action taken replies of the Government in respect of all the 21 recommendations contained in the Report were received on 25<sup>th</sup> November, 2004. These have been categorised as follows:-

- (i) Recommendations/observations that have been accepted by the Government:-  
Sl. Nos. 1, 4, 11, 13, 15 and 20.
- (ii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies:  
Sl. Nos. 3, 9, 10, 12 and 14.
- (iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee.  
Sl. Nos. 6, 8 and 16.
- (iv) Recommendations/observations in respect of which final replies of the Government are still awaited:  
Sl. Nos. 2, 5, 7, 17, 18, 19 and 21.

**3. The Committee desire that the final replies in respect of the recommendations for which only interim replies have been furnished by the Government should be furnished expeditiously.**

4. The Committee will now deal with the action taken by Government on some of their recommendations in the ensuing paragraphs.

**A. Under-utilisation and monitoring of funds****(Recommendation Sl. No. 1)**

5. While examining the Demands for Grants (2004-05) of the Department of Chemicals & Petrochemicals, the Committee had pointed out under-utilisation of funds in some of the schemes and PSUs for the year 2003-04. There was under-utilisation of funds in Chemicals Promotion & Development Scheme (CPDS) and Hindustan Antibiotics Limited (HAL). Viewing this seriously the Committee had desired that the Department should make every effort for fully utilisation of amount allocated in Budget Estimates for the year 2004-05 and ensure that money should be utilized evenly during each quarter of the year. The Committee had, therefore, recommended that continuous monitoring should also be ensured in this regard and Department should contain the expenditure for the year within their sanctioned budget and must follow the instructions of Ministry of Finance to observe austerity in Non-Plan expenditure.

6. The Ministry while replying to this observation has merely stated that the recommendation of the Committee regarding efforts made by the Department for continuous monitoring and full utilisation of funds allocated in BE 2004-05 had been noted and instructions had been issued to the implementing agencies in this regard advising to observe austerity in Non-Plan expenditure in accordance with the instructions of Ministry of Finance. However, it seems they have not taken any steps for effective monitoring so far during the financial year and also not detailed what austerity measures had been adopted in this regard.

**7. The Committee feel that their recommendation has not been taken in a serious manner. In the reply, the Ministry has simply mentioned that the recommendation has been noted and no details in regard to monitoring and austerity measures taken so far have been furnished. The Committee, therefore, desire that whatever efforts have been taken by the Government in regard to monitoring and austerity measures should be reported to them and the implementation of their recommendation must be taken seriously in letter and spirit.**

**B. Assam Gas Cracker Project****(Recommendation SI. No. 6)**

8. Assam Gas Cracker Project was to be commissioned for production of 3 lakh tonnes per annum of ethylene as per terms and conditions of Assam Accord to give boost to the developmental activities in the State. Later on a Committee under the Chairmanship of Secretary (Chemicals & Petrochemicals) reduced the production of ethylene to a level of 2 lakh tonnes per annum as per the associated availability of gas. Oil India Limited (OIL) is to supply 1.35 MMSCMD for the project and Oil & Natural Gas Corporation Limited (ONGC) to supply 1.35 MMSCMD of gas for the project. The agreement between the ONGC and Reliance Assam Petrochemicals Limited (RAPL) regarding supply of 1.35 MMSCMD gas is pending because RAPL has informed that 5 MMSCMD gas to be supplied by OIL is sufficient for 1,30,000 tonnes of ethylene per annum. However, with supply of 1.35 MMSCMD of gas by ONGC, RAPL would produce only 28,000 tonnes of Ethylene per annum for the first five years and 15,000 tonnes of Ethylene per annum for the remaining ten years. This shortfall from 2 lakh tonnes of Ethylene per annum is the bone of contention between RAPL and Government for which LPG is to be supplied by Indian Oil Corporation Limited (IOCL) and the price and subsidy on LPG is to be approved by the Government. The subsidy of Rs. 6,000 crore over a period of 15 years was required to be reimbursed to the Oil Companies for supplying feedstock at the concessional rate of Rs. 600 per thousand cubic metres. In this context, the Committee had recommended that since 20 years had already been passed by then, the Government should make real and serious efforts to complete the project by settling the long pending issues without any further loss of time. The Committee had desired that the feasibility of implementing this project through other Public Sector Undertakings such as GAIL should also be explored seriously and with a sense of urgency and they should be apprised of the concrete steps taken by the Ministry in this regard within one month of presentation of this Report.



9. The Ministry, now, in its Action Taken reply, has stated that there was a large amount of subsidy involved in the implementation of the project and the project might be implemented by some PSU. In order to discuss the viability/parameters of the project, Secretary (P&NG) held a meeting on 13<sup>th</sup> August, 2004 to discuss the project. In that meeting, there was a broad consensus that the project be put up by one of the public sector oil companies. On the question of which company should play a lead role in this regard both GAIL/ONGC showed their interest. A period of three months was given to both the companies to prepare their feasibility reports. On the expiry of this period, Secretary (P&NG) would take another meeting to finalise the lead player for this project.

10. The Ministry, in this connection, has further stated that after Ministry of Petroleum & Natural Gas had finalised the lead player for this project and worked out the project parameters as well as the financial implications of various elements of subsidy, a meeting would be held at the level of Secretary (C&PC) to give a fresh final shape to the matter for decision of the Government.

**11. Assam Gas Cracker Project which was proposed in 1984 for the utilisation of petroleum fraction of natural gas is still pending due to some hurdles. Even after a lapse of 20 years, due to non-availability of feedstock, acquirement of land by Reliance Assam Petrochemicals Limited (RAPL), finalisation of Gas Supply Agreement by India Oil Corporation Limited (IOCL) with RAPL for supplying the LPG, this project could not be completed. The Committee are constrained to note that even today Government is not serious about implementation of this project. The project is being inordinately delayed resulting in high increase in subsidy and cost of establishment of the project. Going through the efforts made by the Government till date it seems that the Government is not sincere in its commitment made to the North-Eastern people under the Assam accord to give boost to the developmental activities in the area. The Committee**

while reiterating their earlier recommendation desire that all out efforts should be made by the Government to give a concrete shape to this long pending project as early as possible and they be apprised of the same after the decision of the Government.

C. **Bhopal Gas Leak Disaster**

**(Recommendation Sl. No. 8)**

12. While examining the issue of Bhopal Gas Leak Disaster, the Committee had noted that there was substantial and severe contamination of land and drinking water supplies with heavy metal and persistent organic contaminants both within the plant and in its surrounding areas. The Committee had desired that the toxic wastes should be removed without any further delay and they should be apprised of the action taken by the Government thereon.

13. The Ministry in their Action Taken reply has stated that Engineers India Limited (EIL) has submitted a technical proposal for the removal of toxic wastes lying in and around the Union Carbide Plant at Bhopal. For this, a meeting of Secretary (C&PC) was held on 5<sup>th</sup> August, 2004 with officials of Madhya Pradesh Government, Ministry of Environment & Forests and Central Pollution Control Board to discuss the proposal of EIL. In the meeting, the methodology of EIL for the removal of toxic wastes lying at the plant site and decommissioning of Methane Iso Cynate (MIC) and Sevin plants was approved. The EIL has been requested to give financial estimates for this work taking into consideration various activities as specified in its proposal. It would also submit the commercial terms for this assignment. The estimate and commercial terms for this work from EIL are awaited.

14. The Committee are not satisfied with the pace of development for removal of toxic wastes in and around Union Carbide Plant at Bhopal. After a meeting of Secretary (C&PC) on 5<sup>th</sup> August, 2004 with officials of Madhya Pradesh Government, Ministry of Environment & Forests and Central Pollution Control Board, no substantial breakthrough has been reported in the matter. It is well known that the matter is serious enough and is being raised frequently by National/International NGOs in and outside the country. The Committee, in their earlier Report, had also observed that there is substantial and severe contamination of land and drinking water supplies with heavy metal and persistent organic contaminants in the plant and its surrounding areas. The Committee had noted that the matter of removal of toxic wastes from land and water should have been taken up side by side with other aspects of Bhopal Gas Leak Disaster settlement but that was not done in the right earnest. Now, Union Carbide has been sold to Dow Chemicals of U.S.A. and Central and State Governments are not taking up this issue seriously and vigorously. The Committee, therefore, once again urge the Government to take up this matter on priority basis for removing the toxic wastes without any further delay. They desire that they should be apprised of the action taken in this regard within one month after presentation of this Report.

**D. Mancozeb Plant of Hindustan Insecticides Limited (HIL)**

**(Recommendation SI. No. 16)**

15. The Committee, in their earlier Report, had noted that HIL could not resolve the technical problems of Mancozeb Plant and could operate the plant for six months only after its commissioning in August, 2002 resulting in blocking of capital of Rs. 9.97 crore. This was because the in-house R&D activity was not sufficient to maintain the shelf-life of the product. The Committee had observed that all the factors were not kept in mind before commissioning the project. They therefore, had desired that strict action should be taken against officers

responsible for such omissions and recommended that a detailed study in regard to Mancozeb plant be conducted without delay and requisite technology incorporated in the plant expeditiously.

16. In this connection, the Ministry in their Action Taken reply has informed as under:-

“According to HIL, the process for Mancozeb was designed in accordance with the BIS specifications and accordingly the Detailed Project Report (DPRs) was prepared and the plant had been installed. While the project of HIL was under erection and finally came up for commercial production, competitors had put up their plant with improved process technology in terms of Shelf Life as well as suspensibility. Thus no individual or group of employees of HIL can be held responsible for the above. However, a proposal to appoint consultant for the improvement of Mancozeb technology has been approved by the Board of Directors and the work will be awarded to the consultant shortly.”

**17. The Committee are not convinced with the reply of the Government that no individual or group of employees of HIL responsible for omissions made by them in commissioning of Mancozeb Plant on the plea that while the project of HIL was under erection and finally came up for commercial production, competitors had put up their plant with improved process technology in terms of Shelf Life as well as suspensibility. In the era of liberalisation and globalisation such an argument is totally unacceptable because the officials are supposed to keep their eyes on the competitors in the market for which they are paid by the Government/Undertaking. The Committee, therefore, reiterate their earlier recommendation and desire that after having identified responsible officers, strict action should be taken against them for such an omission and requisite technology should be incorporated in the plant expeditiously.**

**CHAPTER – II****RECOMMENDATIONS WHICH HAVE BEEN  
ACCEPTED BY THE GOVERNMENT****(Recommendation Sl. No.1)**

The Committee note that out of total funds of Rs.5886.00 lakh available with the Department of Chemicals & Petrochemicals under plan allocation during the year 2002-03, Rs.693.25 lakh has not been utilized. Similarly, during the year 2003-04 under the non plan schemes, out of the total availability of funds of Rs.45065.00 lakh, Rs.5727.28 lakh have been shown as savings / surrender and out of a fund of Rs.5500.00 lakh, under plan scheme Rs.1213.42 lakh remained unutilized. Further, there are aberrations in percentage utilization of expenditure as low as 10.80% in (2002-03) and 5.16% in (2003-04) under Chemicals Promotion Development Scheme (CPDS). The Plan expenditure for Hindustan Antibiotics Ltd. (HAL) in 2002-03 and (2003-04) has been only 66.67% in both the years. The Committee view with serious concern the underutilization of funds by the Department during these years. The Committee desire that every effort should be made by the Department to utilize fully the money allocated in BE 2004-05. In order to ensure full utilization, efforts should be made to utilize the money evenly during each quarter of the year, continuous monitoring in this regard should also be ensured. With this the Committee endorse the Demands for grants of the Department of Chemicals and Petrochemicals of the Ministry of Chemicals and Fertilizers. However, they recommend that the Department should contain the expenditure for the year within the sanctioned budget of the Department and follow the instructions of the Ministry of Finance to observe austerity in non-plan expenditure.

### **Reply of the Government**

The recommendation of the Committee regarding efforts to be made by the Department for continuous monitoring of utilization of funds allocated in BE2004-05 has been noted. Instructions have been issued to the implementing agencies in this regard. They have also been advised to observe austerity in non-plan expenditure in accordance with the instructions of the Ministry of Finance.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

### **Comments of the Committee**

(Please see para 7 of Chapter I of the Report)

### **(Recommendation SI.No.4)**

The Committee are given to understand that CIEPT has been endeavouring itself to become self-sufficient as far as cash expenditure is concerned from the year 2001-02 onwards. The organization is making all efforts to increase the number of short-term courses, technical services and R&D projects. However, to sustain the profitability and meet the challenges of competition in coming years, a lot still requires to be done. It is appreciable that CIPET has fixed targets for the income to be generated during the year 2004-05, centre-wise and item-wise. The Committee desire that all efforts should be made to realize these targets so as to make the organization self-sufficient as soon as possible.

### **REPLY OF THE GOVERNMENT**

CIPET has been advised to make all efforts to achieve the targets fixed so as to make the organization self-sufficient as soon as possible.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**(Recommendation Sl. No. 11)**

A special allocation of Rs.200.00 lakh was made for conducting a feasibility study for the establishment of a Mega Chemical Industrial Estate (MCIE) during 2003-04. The project has been under consideration since 1999. However, the Committee find that even a consultant has not been appointed so far. Under the Annual Plan 2002-03 and 2003-04, an expenditure to the tune of only Rs.5.62 lakh and Rs.12.04 lakh respectively has been made. The Committee feel that the establishment of a Mega Chemical Industrial Estate would augment the activities of the chemical industries. They, therefore, recommend that Government should make all out efforts to establish MCIE in a time bound manner.

**REPLY OF THE GOVERNMENT**

The task of undertaking a feasibility study to establish an MCIE has been entrusted to M/s Mott MacDonald, a reputed international agency with relevant experience. In accordance with the terms of agreement, the work is expected to be completed in a period of 12 months.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**(Recommendation Sl. No. 13)**

The Committee have been informed that the total Minimum Annual Turnover (MAT) value of 27000 formulation packs is about Rs. 20,000 crore – out of which 23,000 formulation packs having MAT value less than Rs. 1 crore, amount to Rs. 4,000 crore. NPPA monitors the prices of medicines which have MAT value of Rs. 1 crore and above only. The Committee feel that it is due to these non-controlled medicines that the main variation in prices takes place. The Committee, therefore, recommend that the Government must take some measures to control the prices of these non-controlled medicines also on case to case basis.

**REPLY OF THE GOVERNMENT**

The National Pharmaceutical Pricing Authority is also monitoring the prices of non Scheduled medicines. NPPA has taken note of the recommendations of the Standing Committee. Considering the low efficacy and high volume of effort involved in monitoring the prices of the formulations which have MAT value of less than Rs. 1 crore, it has been decided to initiate monitoring of such drugs on case to case basis based on complaints received from the State Drug Controllers and like authorities. The Government have also constituted a Committee in August, 2004 under the Chairmanship of Joint Secretary (PI) to examine the span of price control (including trade margin) in view of the National Common Minimum Programme and the views expressed by the Supreme Court in SLP (C) No. 3668/2003.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**(Recommendation Sl. No.15)**

The Committee are informed that HIL has entered into an agreement with M/s International Panacea Ltd., New Delhi for marketing of bio-fertilizers. As per agreement, HIL is eligible for 12% commission for sale through private trade and 51% for institutional sale. In the opinion of the Committee, this is a wise step and they desire that HIL should go into further diversification of its activities where generation of resources is possible.

**REPLY OF THE GOVERNMENT**

According to the Company, HIL is exploring the possibility of diversification into other areas. HIL is also taking steps to introduce new generation molecules, which have the potential of getting higher contribution.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]



**(Recommendation Sl. No. 20)**

The operating loss of Rasayani Unit of the Hindustan Organic Chemicals Ltd. (HOCL) has increased from Rs.2050 lakh in 2002-03 to Rs.2715 lakh in 2003-04. The net profit of Cochin Unit of HOCL has also declined from a level of Rs.2957 lakh in 2002-03 to Rs.2303 lakh in 2003-04. The Committee further note that the networth of the company has also decreased to a level of Rs.7.17 crore as on 31 March, 2004 as against Rs.95.57 crore as on 31.3.2003. The Committee, therefore, recommend that the Government should make all out efforts to improve the performance of HOCL. Efforts should also be made to ensure that Hindustan Fluorocarbon Ltd, a subsidiary of HOCL, remains viable.

**REPLY OF THE GOVERNMENT**

According to HOCL, the operating loss of Rasayani unit increased from Rs.2050 lakhs in 2002-03 to Rs.2715 lakhs in 2003-04 on the basis of provisional accounts because of the steep increase in the main raw material cost, such as (i) Benzene, (ii) Methanol and (iv) Naphtha. The increase had ranged from 15% to 40% in respect of the said raw materials without any corresponding increase in the finished products of the company. Though the company could marginally increase the prices of finished products, but in respect of the main product like aniline the prices are always adjusted to match the landed cost of imported material. There had been unscrupulous imports of aniline from certain countries other than those covered under anti-dumping duty, during the period at prices below the cost of production. The said situation prevailed for most part of the year and owing to margin squeeze, the operating loss of Rasayani unit had gone up by about Rs.7 crores in 2003-04, even though the Rasayani unit and also the company, as a whole, achieved higher sales in 2003-04 as compared to 2002-03 by more than Rs. 15 crores.

Benzene being the major common raw material for both Rasayani and Cochin unit of the company and coupled with the steep price increase in respect

of another major raw material of Cochin unit viz. LPG, which could not be absorbed in the price of finished products, the Cochin unit also suffered a decline in operating profit in the year 2003-04 as compared to the year 2002-03.

Since the prices of the company's products are dictated by the market conditions, depending upon the quantum of imports, situations which are beyond the control of the Company, it becomes difficult for the Company to remedy the situation.

However, the company took a lot of initiatives to reduce the cost of operations and wherever possible, achieved reduction in the cost of production, through (i) energy conservation methods, (ii) achievement of higher efficiencies in the consumption of raw materials and (iii) in administrative overheads.

With all the above initiatives, the company, in fact, maintained its net losses at more or less the same level of about Rs.44 crores in 2003-04 as compared to the previous year. However, the company made liability provisions in respect of certain liabilities, which the company had been carrying forward in the last 2-3 years to the extent of about Rs.44 crores, mainly consisting of the following:

(i)	Doubtful debts	Rs.16.98 crores
(ii)	Interest from subsidiary	Rs. 2.61 crores
(iii)	Wage settlement	Rs. 3.78 crores
(iv)	Doubtful recovery of loan and Interest from M/s Smith Stanistreet Pharmaceuticals Ltd (a PSU)	Rs. 1.71 crores
(v)	Gratuity provisions for employees up to superannuation	Rs.13.65 crores
(vi)	Delayed payment charges payable to supplier of raw material (BPCL) for past period.	Rs. 7.50 crores

As a result of all the above provisions, and the consequential effect on the losses, the net-worth of the company had gone down to the extent of Rs.87

crores in 2003-04 (bringing down the same from the level of Rs.95.57 crores as on 31.3.2003 to the level of Rs.7.17 crores as on 31.3.2004).

The Company is in disinvestment mode of disinvesting 32.61% of equity shares of Government of India out of the present level of equity of 58.61% leaving only 26% of equity shares with the Government of India. A package linked with the disinvestment has already been approved by the Government of India. The BIFR has already sanctioned a rehabilitation/revival package for HFL. However, HOCL has filed an appeal against the same. As such the matter is pending with AAIFR. Viability of HFL would depend on the outcome of the appeal.

In the meantime, the Financial Institutions have issued notice to the HFL for the realization of their dues under Section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. However, as intimated by HOCL, they are taking necessary action to file their objections against the Notice served by the Financial Institutions.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**CHAPTER – III****RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES****(Recommendation SI.No.3)**

The Committee find that Rs.1.28 crore has been allocated in BE (2004-05) for ongoing schemes of providing Computer Aided Design/Computer Aided Manufacturing facilities and plastic recycling and waste management. The waste management is the need of the hour today as recycling of plastic waste is going to cost heavily. In this regard during the evidence, the Secretary, Department of Chemicals & Petrochemicals apprised the Committee that they in collaboration with other Ministries were trying to finalise the Petrochemical Policy giving considerable emphasis on plastic recycling as the role of plastics increasing day by day for modern development. The Committee, however, feel that an amount of Rs.1.28 crore is too meager an amount for this purpose. The Committee desire that waste management be accorded high priority. They recommend that extra efforts be made for waste management activities and plastic recycling and the financial allocation for these activities be augmented.

**REPLY OF THE GOVERNMENT**

CIPET has been advised to put extra efforts on Plastic Waste Recycling. However, for the time being the existing allocation of funds on this account has been considered sufficient for this purpose.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**(Recommendation SI. No.9)**

The Committee find that although the CWC Act was enacted on 28<sup>th</sup> August, 2002, it has not so far been enforced. The Committee have come to

know that in a meeting of the steering Committee of National Authority held in July 2004 under the Chairmanship of Cabinet Secretary, it was decided to bring the CWC Act into force. The rules and regulations in this regard have also not been framed as yet. The Committee, therefore, desire to bring CWC Act into force immediately and notify the rules and regulations thereunder without any further delay.

### **REPLY OF THE GOVERNMENT**

It is stated that in the last meeting of the Steering Committee of the National Authority for CWC under the Chairmanship of the Cabinet Secretary held on 8<sup>th</sup> July, 2004 it was decided to bring this Act into force while holding in abeyance Articles 18 and 39 of the Act relating to the requirement of Registration and the punishment thereof. For the Act to come into force, necessary Rules and Regulations need to be notified. To draft the Rules, a Committee under the Chairmanship of JS (Chemicals) with representatives from the Legislative Department, Ministry of Law and the National Authority for CWC has been constituted. Immediately after the Rules are framed, action for bringing into force the CWC Act will be taken.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

### **(Recommendation Sl. No.10)**

A provision of Rs. 5 crore has been made under Pharmaceutical Research & Development Programme during 2004-05 against Rs. 25 lakh during 2003-04. The Patent Act of 1970 is required to be amended to usher in the era of product patents in the pharmaceutical sector in compliance with obligation under the WTO and TRIPS. For this, the Indian pharmaceutical industry has to focus on research and development. In view of the importance of research and development in the field of pharmaceuticals, the Committee feel that the amount

of Rs. 5 crore for R&D earmarked for this year is very meagre. The Committee, therefore, strongly recommend that the budget allocation for pharmaceutical research should be increased at least to a level of Rs. 50 crore to meet the challenges of the future.

### **REPLY OF THE GOVERNMENT**

Keeping in view the observations of the Committee regarding the meagre availability of funds under the Pharmaceutical Research and Development Programme, the Department will endeavour to obtain more allocation in the budget for the next financial year.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

### **(Recommendation Sl. No. 12)**

The Committee note that the National Pharmaceutical Pricing Authority (NPPA) fixes/ revises prices of scheduled formulation and monitors the movement of prices of non-scheduled formulations. However, there has been wide variation in prices of drugs in the market. Drug policy 1994 aimed at abundant availability of essential drugs at reasonable prices. The Committee further note that to encourage competition and improve availability under 1994 Drug Policy the number of bulk drugs under control was brought down from 142 in 1987 to 74 in 1995. The Government also brought Drug Policy 2002, which decreased the number of controlled drugs but this has been challenged in Court. The Committee, therefore, desire that to ensure easy availability of drugs at affordable prices to the common man, Government should take all necessary steps to have the matter settled early by the Court.

### **REPLY OF THE GOVERNMENT**

The pricing aspect of the Pharmaceutical Policy 2002, announced by the Government in February, 2002 is pending before the Supreme Court. This

Department has been following up this case from time to time and the last hearing in this case was on 22<sup>nd</sup> November, 2003. The Central Agency Section of the Department of Legal Affairs has informed in June, 2004 that the matter will be listed as and when the Learned Chief Justice gives directions. This Department is following up this issue with the Department of Legal Affairs. However, no date for early listing has been conveyed to this Department.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

### **(Recommendation Sl. No.14)**

The Committee have come to know that on complete erosion of network of the Hindustan Insecticides Limited (HIL), the company has been referred to BIFR on 29th January, 2004. The company is in production of insecticides, agro-pesticides and eco-friendly bio-pesticides which have vast demand in the country. The National Anti Malaria Programme (NAMP) was made successful on account of DDT being supplied by HIL to various State Governments. The Committee feel that DDT is in large demand in Municipal Corporations/ Municipalities even today. The Committee, therefore, are of the view that referral of the Company to BIFR at this juncture indicates a sorry state of affairs. The management of HIL has sent a proposal of Rs.122.00 crore to Government for write off/relief for capital restructuring of HIL. The Committee recommend that Government should take all necessary measures for the financial revival of the company.

### **REPLY OF THE GOVERNMENT**

As HIL stands referred to BIFR, the financial revival or otherwise would depend on the proceedings/decision of the BIFR, which is a quasi-judicial body created under Sick Industrial Companies (Special Provision) Act, 1985.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**CHAPTER – IV****RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE****(Recommendation Sl. No. 6)**

Assam Gas Cracker Project which was proposed as early as in 1984 for the utilisation of petroleum fraction of natural gas. However, due to some hurdles particularly regarding availability of feedstock, the project has not been implemented even after elapse of 20 years. The land for the project has also not been acquired by Reliance Assam Petrochemicals Limited (RAPL) since they want that gas supply agreement be finalised first. The Indian Oil Corporation has also not signed any agreement with RAPL for supply of LPG as the question of payment of subsidy to the company by the Government has not been settled. The Committee further note that subsidy of Rs. 6000 crore over a period of 15 years is required to be reimbursed to the Oil Companies for supplying feedstock at the concessional rate of Rs. 600 per thousand cubic metres. Since 20 years have already passed, the Committee recommend that the Government should make real and serious efforts to complete the project by settling the question of providing subsidy without any further loss of time. The feasibility of implementing this project through another public sector undertaking such as GAIL should also be explored seriously and with a sense of urgency. The Committee desire that they should be apprised of the concrete steps taken in this regard within one month of presentation of this Report.

**REPLY OF THE GOVERNMENT**

As a large amount of subsidy is involved in the implementation of the project, a view was expressed that the project may be implemented by some PSU. In order to discuss the viability/parameters of the project, Secretary (P&NG) held a meeting on 13<sup>th</sup> August, 2004 to discuss the project. In this meeting, there was a broad consensus that the project be put up by one of the public sector oil companies. On the question of which company should play a lead role in this regard both GAIL/ONGC showed their interest. A period of three months was given to both the companies to prepare their feasibility reports. On the expiry of this period, Secretary (P&NG) would take another meeting to



finalise the lead player for this project. However, recently it has been decided that GAIL and ONGC would both finalise their views on this project by 25<sup>th</sup> October, 2004.

After Ministry of Petroleum & Natural Gas has finalised the lead player for this project and worked out the project parameters as well as the financial implications of various elements of subsidy, a meeting would be held at the level of Secretary (C&PC) to give a fresh final shape to the matter for decision of the Government.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**Comments of the Committee**

(Please see para 11 of Chapter I of the Report)

**(Recommendations Sl.No. 8)**

The Committee have been informed that the Government of India has filed no objection in the New York Federal Court for removal of toxic wastes within and surrounding areas of former Union Carbide Plant. It has also been informed by the Ministry that Engineers India Limited (EIL) was requested to prepare a plan for the removal of toxic wastes and its cost estimates. EIL has submitted its proposals and the Madhya Pradesh Government has also agreed with the former's proposal for removal of toxic wastes and decommissioning of the plant. The Committee desire that the toxic wastes should now be removed without any further delay and the Committee be apprised of the same.

**REPLY OF THE GOVERNMENT**

On the request of the Department, Engineers India Limited on 2<sup>nd</sup> July,2004, has submitted a technical proposal for the removal of the toxic wastes lying in and around the Union Carbide Plant at Bhopal. A meeting was held in

the chamber of Secretary(C&PC) on 5<sup>th</sup> August,2004 with officials of Madhya Pradesh Government, Ministry of Environment and Forests and Central Pollution Control Board to discuss the proposal of EIL. In the meeting the methodology of EIL for the removal of toxic wastes lying at the plant site and decommissioning of MIC and Sevin Plants was approved. The EIL has been requested to give financial estimate for this work taking into consideration various activities as specified in its proposal. It would also submit the commercial terms for this assignment. The estimate and commercial terms for this work from Engineers India Limited is awaited.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**Comments of the Committee**

(Please see para 14 of Chapter I of the Report)

**(Recommendation Sl. No.16)**

The Committee note that Mancozeb Plant of HIL could operate only for six months after its commissioning in August 2002 resulting in blocking of capital of Rs.9.97 crore. This was because the in-house R&D activity was not sufficient to maintain the shelf-life of the product. While the Mancozeb produced from private companies have shelf-life of about 2 years and suspensibility of more than 70% by mass, that produced by HIL plant has a shelf-life of one year only and suspensibility of mere 50%. They are constrained to find that all the factors were not kept in mind before commissioning the project. They desire that strict action should be taken against officers responsible for such omissions. Now the Ministry has informed that a consultant having exposure of mancozeb technology has been identified for conducting detailed study. The consultant has already done preliminary study. The Committee, therefore, recommend that detailed study in regard to Mancozeb plant be conducted without delay and requisite technology incorporated in the plant expeditiously.

**REPLY OF THE GOVERNMENT**

According to HIL, the process for Mancozeb was designed in accordance with the BIS Specifications and accordingly the Detailed Project Report (DPRs) was prepared and the plant had been installed. While the project of HIL was under erection and finally came up for commercial production, competitors had put up their plant with improved process technology in terms of Shelf Life as well as suspensibility. Thus no individual or group of employees of HIL can be held responsible for the above. However, a proposal to appoint consultant for the improvement of Mancozeb technology has been approved by the Board of Directors and the work will be awarded to the consultant shortly.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**Comments of the Committee**

(Please see para 17 of Chapter I of the Report)

**CHAPTER – V****RECOMMENDATIONS IN RESPECT OF WHICH  
FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED****(Recommendation Sl. No.2)**

In the Tenth Five Year Plan, the Central Institute of Plastics Engineering and Technology (CIPET) has been sanctioned plan assistance of Rs.80 crore under externally aided projects (EAP) and Rs.20 crore as Domestic Budget Support (DBS). The externally aided project “capacity building of CIPET centres for development of thrust areas” was to be funded by OPEC. Initially the loan amount was US \$ 16.67 million and later reduced to US \$ 13.67 million. Earlier, CIPET wanted the amount as Grants-in-Aid on the lines of World Bank assistance. However, later on it conveyed its decision to accept the soft loan. The Committee find that the draft loan agreement in this regard is still under process and has not yet been finalized by the Department of Economic Affairs and Department of Legal Affairs. The Committee feel that this may result into slow down in technological upgradation plan of the different Centres of CIPET. They, therefore, desire that the Department of Chemicals & Petrochemicals should take up the matter with the Department of Economic Affairs and Legal Affairs so that the loan agreement is finalised at the earliest.

**REPLY OF THE GOVERNMENT**

The matter has been taken up with Deptt. of Economic Affairs. In fact, the Draft Loan Agreement proposed to be signed by OPEC and the Govt. of India contains some clauses which may affect sovereign powers of the country. Therefore, the issue has already been taken up through Indian Embassy in Vienna to approach OPEC Loan authorities for deletion of these Clauses. The Deptt. is taking all possible steps for early finalisation of the loan agreement.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**(Recommendation Sl. No. 5)**

The Committee are informed that for establishment of new extension centres of CIEPT, hundred per cent funding proposals are not coming from States/industry associations. The Government of Rajasthan has requested that the Central Government should also provide part fund for such centres as was being done in the past. The Committee find that there is proposal for setting up three new CIPET Centres in Rajasthan, Maharashtra and NCR area. They, therefore, recommend that new extension centres at places identified may be opened with 50 per cent assistance from the Central Government.

**REPLY OF THE GOVERNMENT**

In the proposals for Mid term Appraisal of the 10th Plan, the Planning Commission has been requested to restore its earlier decision for setting up CIPET Centres on 50:50 cost sharing basis between the Central Government and the State Government instead of entire funding by CIPET.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**(Recommendation Sl.No. 7)**

The Committee find that there are 1058 appeals and 44 revision petitions lying pending in the Office of the Welfare Commissioner as on 30<sup>th</sup> June,2004, relating to Bhopal Gas Leak Disaster. About 11647 applications are also pending for scrutiny and motion hearing in the court of Welfare Commissioner. The Committee feel that these cases might be dealt with speedily if the Office of Welfare Commissioner is held by a full-time judge. The Committee have been informed that presently the Office of Welfare Commissioner is being held by a sitting judge of the Madhya Pradesh High Court who has his preoccupations in the High Court too. The Committee observe that even after the lapse of many years, the Government has not been able to get appointed a full time High Court

Judge. They feel that it would be in the fitness of things to have a full-time judge to deliver justice to the victims of Bhopal Gas tragedy because recently, on 19<sup>th</sup> July,2004, the Supreme Court has also given a directive for disbursement of compensation amount to Bhopal Gas victims expeditiously. The Committee also desire that all the cases relating to appeals, revision petitions and applications for scrutiny and motion hearing are disposed of quickly.

### **REPLY OF THE GOVERNMENT**

At present the post of the Welfare Commissioner, Bhopal Gas Victims is being held on part time basis by Justice Deepak Verma, a sitting judge of the Indore bench of Madhya Pradesh High Court. The Minister(Chemicals and Fertilizers) has again requested , on 9<sup>th</sup> August,2004 the Minister of Law and Justice to request the Chief Justice of Madhya Pradesh High Court to nominate a sitting judge of that High Court on a full time basis to function as Welfare Commissioner. Secretary, Ministry of Law and Justice has also been requested to bring the observations of the Standing Committee to the notice of the Chief Justice of MP High Court for making available the services of a sitting High Court Judge as Welfare Commissioner on full time basis. . The recommendations of Committee have also been brought to the notice of the Welfare Commissioner, Bhopal Gas Victims, Bhopal. The Department is making all out efforts to provide necessary staff and infrastructure to the office of the Welfare Commissioner for the expeditious disposal of the claim cases.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

### **(Recommendation Sl. No. 17)**

The Committee observe that as and when networth of a company erodes, the company is referred to Board for Industrial and Financial Reconstruction (BIFR). In the opinion of the Committee, before closing down the company, all

possibilities be explored to run the company including the proposal from workers' cooperative because once the company is referred to BIFR, chances of its revival are very grim. The Ministry have informed that they have received a proposal from Smith Stanistreet Workers' Union for forming an Industrial Co-operative Society and run the undertaking. The Committee, therefore, recommend that before winding up the company all possibilities to run the undertaking be explored. They desire that the proposal submitted by the Workers' Union of SSPL be examined positively and a chance given to the workers of SSPL to run the undertaking on co-operative basis.

### **REPLY OF THE GOVERNMENT**

The proposal is under the consideration of the Government.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

### **(Recommendation No. 18)**

The Committee are informed that the Board for Industrial and Financial Reconstruction (BIFR) has sanctioned revised modified rehabilitation scheme for Bengal Chemicals & Pharmaceuticals Limited (BCPL) which envisages a number of reliefs and concessions from the Government and other agencies. The Ministry has also informed that the huge accumulated losses of BCPL will not get wiped out by 2007-08. The networth of the company has since become positive amounting to Rs. 739.74 lakh in relation to its total assets amounting to Rs. 3257.66 lakhs. The Committee, therefore, recommend that the reliefs and concessions in accordance with revised modified rehabilitation scheme sanctioned by BIFR be given to BCPL and the management of BCPL should make all efforts to wipe out the losses fully by 2008-09.

### REPLY OF THE GOVERNMENT

The proposals contained in the revised rehabilitation scheme will require and approval of the Ministry of Finance and other Ministries/Departments concerned of the Government of India, before submitting the same for the approval of the Cabinet. The Department is making efforts to expedite the case.

The recommendation of the Committee to wipe out the losses fully by 2008-09 has been brought to the notice of the BCPL.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

#### (Recommendation Sl. No. 19)

Indian Drugs & Pharmaceuticals Limited (IDPL) was established in 1961 with the primary objective of creating self-sufficiency in essential life saving drugs and medicines. With deterioration in performance of the company, except production of some formulations in units of IDPL, the production of medicines in all its units and subsidiaries has been stopped. During the evidence, the Committee were apprised by the Secretary, Department of Chemicals & Petrochemicals that the Government have decided to appoint a Technical Committee for assessment of revival prospects and future of IDPL which is likely to submit its recommendations by October, 2004. The Committee hope that the Government would expedite this process leading to the revival of IDPL units so that the production of essential life saving drugs might be restarted in these units.

### REPLY OF THE GOVERNMENT

The Government has since constituted the Expert Committee to conduct a techno-economic feasibility study of restructuring IDPL. The Expert Committee consists of the following members:

- |       |                                  |   |           |
|-------|----------------------------------|---|-----------|
| (i)   | Dr. P. Rama Rao, Director, NIPER | - | Chairman. |
| (ii)  | Dr. L. K. Behl, Ex- CMD, IDPL    | - | Member.   |
| (iii) | Shri P.M. Mehta                  | - | Member.   |



- |      |                              |   |                   |
|------|------------------------------|---|-------------------|
| (iv) | Shri Probir Roy, Ex-MD, BCPL | - | Member.           |
| (v)  | Deputy Secretary (Finance)   | - | Member Secretary. |

The Expert Committee has been asked to submit its report by 31<sup>st</sup> October, 2004. Further action will be taken after the receipt of the report of the Expert Committee.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

### **(Recommendation Sl. No. 21)**

The Committee note that the Hindustan Antibiotics Limited (HAL), Pimpri is a sick Public Sector Company referred to the Board for Industrial and Financial Reconstruction (BIFR). The Finance Minister in Budget Speech of 2004-05 has announced that HAL will be given financial support for restructuring. The Department of Chemicals & Petrochemicals has also informed that revised modified draft rehabilitation scheme has been received from HAL which includes reliefs/ concessions like one time settlement with banks, payment of statutory dues, VSS and fixed/working capital requirement, sale of land, waiver and sacrifices from Government of India, bank and financial institutions and budgetary support from the Government. The Committee feel that in order to ensure easy availability of antibiotics, the revival of HAL is imperative. The Committee, therefore, recommend that suitable reliefs/ concessions be given to HAL so that its restructuring process is completed as early as possible leading to enhanced production of antibiotics by its sick units.

### **REPLY OF THE GOVERNMENT**

The revised draft rehabilitation scheme submitted by the HAL is being examined in the Department. The views of the Government will be conveyed to IDBI and BIFR for sanctioning the Rehabilitation Scheme for HAL. The proposal

contained in the Rehabilitation Scheme will also require the approval of the Ministry of Finance and other Ministries/ Departments concerned of the Government of India before submitting the same for the approval of the Cabinet. The Department is making efforts to expedite the case.

[Ministry of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals) O.M. No 16(4)/2004-Fin. dated 18.11.2004]

**NEW DELHI**  
**December 20, 2004**  
**Agrahayana 29, 1926 (Saka)**

**ANANT GANGARAM GEETE,**  
***Chairman,***  
***Standing Committee on***  
***Chemicals & Fertilizers.***

**Appendix-I****MINUTES****STANDING COMMITTEE ON CHEMICALS & FERTILIZERS  
(2004-05)****SEVENTH SITTING  
(16.12.2004)**

The Committee sat from 1530 hrs. to 1615 hrs.

***Present***

**Shri Anant Gangaram Geete - Chairman**

***Members  
Lok Sabha***

2. Shri Afzal Ansari
3. Shri Prahlad Joshi
4. Shri Sukhdev Singh Libra
5. Shri A.K. Moorthy
6. Shri A. Venkatarami Reddy
7. Shri V.K. Thummar
8. Shri Bhanupratap Singh Verma

***Rajya Sabha***

9. Shri Gireesh Kumar Sanghi
10. Dr. Chhatrapal Singh Lodha
11. Shri Sanjay Rajaram Raut

***Secretariat***

1. Shri M. Rajagopalan Nair - *Joint Secretary*
2. Shri S.C. Kaliraman - *Under Secretary*

2. At the outset, Hon'ble Chairman welcomed the Members to the sitting.

3. Thereafter, the Committee considered the draft Report on action taken by the Government on the recommendations contained in the First Report of the Committee on 'Demands for Grants (2004-05) of the Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals'. After a brief discussion, the draft Report was adopted by the Committee without any amendment.

4. The Committee authorised the Chairman to make consequential changes, if any, arising out of the factual verification of the Report by the Department of Chemicals & Petrochemicals of the Ministry and present the same to both the Houses of Parliament in the current Session.

5. \*\*  
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*The Committee then adjourned.*

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**\*\* Matter not related to this Report**

**Appendix – II***(Vide Para 3 of the Introduction)*

*Analysis of Action Taken by the Government on the recommendations contained in the First Report (Fourteenth Lok Sabha) of the Standing Committee on Chemicals & Fertilizers (2004-05) on 'Demands for Grants (2004-05) of the Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals'.*

I	Total No. of Recommendations	21
II	Recommendations which have been accepted by the Government (Vide Recommendations at Sl. Nos. 1, 4, 11, 13, 15 and 20)	6
	Percentage to Total	28.57%
III	Recommendations which the Committee do not desire to pursue in view of Government's Reply (Vide Recommendations at Sl. Nos. 3, 9, 10, 12 and 14)	5
	Percentage of Total	23.81%
IV	Recommendations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations at Sl. Nos. 6, 8 and 16)	3
	Percentage of Total	14.28%
V	Recommendations in respect of which final replies of the Government are still awaited (Vide Recommendations at Sl. Nos. 2, 5, 7, 17, 18, 19 and 21)	7
	Percentage of Total	33.34%