

**FIFTY-FIRST REPORT**  
**STANDING COMMITTEE ON**  
**PETROLEUM & CHEMICALS**  
**(2003)**

**(THIRTEENTH LOK SABHA)**

**DEMANDS FOR GRANTS**  
**(2003-2004)**

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

*[Action Taken by the Government on the Recommendations contained in the Fortieth Report (Thirteenth Lok Sabha) of the Standing Committee on Petroleum & Chemicals (2003) on 'Demands for Grants (2003-2004) of Ministry of Chemicals & Fertilisers (Department of Chemicals & Petrochemicals)']*

*Presented to Lok Sabha on 22.8.2003*  
*Laid in Rajya Sabha on 22.8.2003*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*August, 2003/Sravana, 1925 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON  
PETROLEUM AND CHEMICALS (2003)

Shri Mulayam Singh Yadav — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Ashok Argal
3. Shri Ramchander Bairda
4. Dr. (Smt.) Suguna Kumari Chellamella
5. Shri Padam Sen Choudhary
6. Shri Khagen Das
7. Smt. Sheela Gautam
8. Shri Paban Singh Ghatowar
9. Shri Bijoy Handique
10. Shri Shriprakash Jaiswal
11. Shri Jagannath Mallick
12. Shri Punnulal Mohale
13. Shri P. Mohan
14. Shri Ashok N. Mohol
15. Dr. Debendra Pradhan
16. Shri Rajesh Ranjan
17. Shri Mohan Rawale
18. Shri Ram Sajivan
19. Dr. Bikram Sarker
20. Dr. (Smt.) V. Saroja
- \*21. Shri Harpal Singh Sathi
22. Shri Shyamacharan Shukla
23. Shri Prabhunath Singh
24. Dr. Ram Lakhani Singh
- \*\*25. Dr. Ramesh Chand Tomar
26. Shri Shankersinh Vaghela
27. Shri Ratilal Kalidas Varma
28. Shri A.K.S. Vijayan
29. Dr. Girija Vyas
30. Shri Dinesh Chandra Yadav

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\*Nominated *w.e.f.* 21st February, 2003.

\*\*Nominated *w.e.f.* 26th February, 2003.

(iv)

*Rajya Sabha*

31. Shri Balkavi Bairagi
32. Shri Ram Nath Kovind
33. Shri Anil Kumar
34. Shri Rajiv Ranjan Singh 'Lalan'
35. Shri Moolchand Meena
36. Shri Dipankar Mukherjee
37. Shri Pritish Nandy
38. Shri Kripal Parmar
39. Shri Ahmed Patel
40. Shri Keshubhai S. Patel
41. Shri V.V. Raghavan
42. Ms. Mabel Rebello
43. Shri Yadlapati Venkat Rao
44. Shri Thanga Tamilselvan
45. Prof. Ram Gopal Yadav

SECRETARIAT

1. Shri P.D.T. Achary — *Additional Secretary*
2. Shri P.K. Grover — *Director*
3. Shri J.N. Oberoi — *Officer on Special Duty*
4. Smt. Madhuu Bhutani — *Sr. Executive Assistant*

### **Recommendation (Part II, Para No. 19)**

The Committee note that the Government have announced a new pharmaceutical policy in February, 2002. Reportedly the policy is aimed at facing new challenges on account of liberalisation, globalisation and new obligations undertaken by India under WTO Agreements. A public interest litigation in Karnataka High Court has resulted in an order dated 12th November, 2002 which has stopped the Government from implementing the price control regime of the pharmaceutical policy 2002. The Committee have also noted that the industry in general has expressed disappointment on the delay in implementation of price control regime of the new policy. The Committee infer from all these that the new policy needs some improvements to satisfy the industry in general. The Committee, therefore, would recommend the Government to have a relook at the new policy and endeavour to make it widely acceptable and free of legal lacunae.

### **Reply of the Government**

A Public Interest Litigation in Karnataka High Court resulted in an order dated 12.11.2002 which stopped, the Government from implementing the price control regime of the Pharmaceutical Policy-2002. Government have filed a Special Leave Petition in the Supreme Court against the order of the Karnataka High Court. The SLP is listed as SLP (C) No. 3668/03. On the 10th of March 2003, the Supreme Court passed the following order:—

“We suspend the operation of the order to the extent it directs that the Policy dated 15.2.2002 shall not be implemented. However, we direct that the petitioner shall consider and formulate appropriate criteria for ensuring essential and life saving drugs not to fall out of price control and further directed to review drugs which are essential and life saving in nature till 2nd May, 2003.”

This Department filed a clarification application in the Supreme Court seeking clarifications on order dated the 10th March, 2002. On the direction to review drugs which are essential & life saving in nature, Ministry of Health and Family Welfare is taking necessary action.

The Industry has, in general, welcomed the Policy. As noted by the Committee, the Industry has expressed disappointment on the delay

in implementation of price control regime of the Policy which is due to judicial intervention.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Comments of the Committee**

(Please see Para No. 19 of Chapter I of the Report)

#### **Recommendation (Part II, Para No. 23)**

Hindustan Insecticides Limited is engaged in production of insecticides, agro-pesticides and eco-friendly bio-pesticides. The Company has been continuously incurring losses and its loss during the year 2001-02 was Rs. 15.41 crore as against Rs. 15.45 crore in the year 2000-01. The company's plant which was earlier located in Delhi was shifted to Bhatinda as per the Supreme court's order. This Bhatinda Plant was to be commissioned as per original schedule by December, 2000 at a cost of Rs. 7.70 crore. Since this could not be completed in time, its cost has gone up and is now estimated to be around Rs. 10.70 crore. The Committee feel that the delay in completion of the project could be contained and the Company has failed in this respect. The reasons advanced by it for non-completion of the project in time are not convincing.

#### **Reply of the Government**

The Bhatinda Plant of HIL was to be commissioned as per original schedule during December, 2000 at a tentative cost of Rs. 7.70 crores. Subsequently, the layout design, including the total covered area etc. and the capacities of the plant (in terms of equipments), underwent substantial changes on account of the norms of the State Government agencies. Taking into account all this, the revised project cost is estimated to be Rs. 10.70 crores. Two plants viz. Liquid formulation and granulation have been commissioned during the year (2002-2003) and the solid formulation plant is expected to be commissioned in June 2003. As reported by the company, the cost of the plant has not increased due to time over run.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Comments of the Committee**

(Please see Para No. 22 of Chapter I of the Report)

## CHAPTER V

### RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

#### Recommendation (Part II, Para No. 10)

The Committee note that the studies conducted by some of the NGOs show contamination of land and ground water with toxic wastes within and around Union Carbide Company area. The Committee were informed that the State Government was responsible to take remedial measures in the matter. While not disagreeing with the proposition the Committee desire that this problem should be looked from the human angle and the Central Government should extend all possible help including financial to remedy the position. The Committee note that the State Government had initiated to proposal that a sum of Rs. 50 crore be granted to them from the money deposited by the UCC with the Reserve Bank of India but the request could not be acceded to for the reason that according to the Supreme Court directions this money could be used only for paying compensation to Bhopal Gas Victims. The Committee recommend that the Central Government should re-examine the State Government's request and seek Supreme Court's approval in utilizing this amount on interim basis pending arrangement of finances needed for removing toxic wastes. Meanwhile the State Government should be asked to examine alternative proposals to arrange needed finances.

#### Reply of the Government

The recommendation of the Committee to examine alternative proposals for arranging the finances has been brought to the notice of the Government of Madhya Pradesh. So far as the utilization of balance money is concerned, some of the Bhopal Gas victims have filed a PIL in the Supreme Court with a prayer that this money should be used for paying interest and for disbursing, on pro-rata basis to the Bhopal gas victims whose cases have been decided by the office of the Welfare Commissioner. Any decision on utilization of balance money for purposes other than compensation can be taken up after the decision of the Supreme Court in the said case.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals &  
Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

## INTRODUCTION

I, the Chairman, Standing Committee on Petroleum & Chemicals (2003) having been authorised by the Committee to submit the Report on their behalf, present this Fifty-First Report on Action taken by Government on the recommendations contained in Fortieth Report (Thirteenth Lok Sabha) of the Standing Committee on Petroleum & Chemicals (2003) on 'Demands for Grants (2003-2004) of Ministry of Chemicals & Fertilisers, Department of Chemicals & Petrochemicals.

2. The Fortieth Report of the Committee was presented to Lok Sabha on 8th April, 2003. The Replies of Government to all the recommendations contained in the Fortieth Report were received on 31st July, 2003. The Standing Committee on Petroleum & Chemicals (2003) considered the Action Taken Replies received from the Government and adopted the Report at their sitting held on 19th August, 2003.

3. An analysis of the Action Taken by Government on the recommendations contained in the Fortieth Report (Thirteenth 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.

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

NEW DELHI,  
August 19, 2003  
Sravana 28, 1925 (Saka)

MULAYAM SINGH YADAV,  
Chairman,  
Standing Committee on  
Petroleum & Chemicals.



## CHAPTER I

### REPORT

This Report of the Committee deals with the action taken by the Government on the recommendations contained in the Fortieth Report (Thirteenth Lok Sabha) of the Standing Committee on Petroleum & Chemicals (2003) on 'Demands for Grants (2003-04) relating to Ministry of Chemicals & Fertilisers (Department of Chemicals & Petrochemicals)' which was presented to Lok Sabha on 8th April, 2003.

2. The Ministry of Chemicals & Fertilisers (Department of Chemicals & Petrochemicals) was requested to furnish replies to recommendations contained in the Fortieth Report within 3 months from the presentation of the Report *i.e.* by 8th July, 2003. The action taken replies of the Government in respect of all the 36 recommendations contained in the Report were received on 31st July, 2003. These have been categorised as follows:—

(i) Recommendations/observations that have been accepted by the Government:

Sl. Nos. 1, 2, 4, 6, 7, 9, 11, 18, 24, 33 and 34.

(ii) Recommendations/observations which the Committee do not desire to pursue in view of the Government replies:

Sl. Nos. 3, 16, 17, 20, 28, 29, 32 and 35.

(iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee:

Sl. Nos. 5, 8, 13, 14, 19 and 23.

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

Sl. Nos. 10, 12, 15, 21, 22, 25, 26, 27, 30, 31 and 36.

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.

**A. EXPANSION OF CENTRAL INSTITUTE OF PLASTIC ENGINEERING AND TECHNOLOGY (CIPET)**

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

5. While examining the Demands for Grants for the year 2003-04 of Department of Chemicals & Petrochemicals, the Committee had noted that the basic objective for establishing Central Institute of Plastic Engineering and Technology (CIPET) was to train people in various disciplines of plastics, plastic processing, etc. The Committee had expressed happiness to note that the institute had achieved self-sufficiency in revenue expenditure. The Committee had, however, found that the Institute did not have schemes of establishing new centres or extension centres during the 10th Plan. During pervious year, the Committee had recommend that CIPET should endeavour to set up their centres in each State. Reiterating this recommendation the Committee had hoped in their 40th Report that CIPET would draw expansion plan accordingly for execution during the next 5 years.

6. The Ministry while replying to this observation has simply state that the recommendation of the Committee had been noted and CIPET would be advised to devise a scheme for setting up of new centres.

**7. The Committee are not satisfied with this reply. The Committee would like the Ministry to ensure that the Committee's recommendation is implemented fully and CIPET sets up centres in each State. They also desire that the Ministry should monitor the expansion plan regularly so that it is executed during the next 5 years.**

**B. ASSAM GAS CRACKER PROJECT**

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

8. Assam Gas Cracker Project was proposed in 1984 for utilisation of petroleum fractions of natural gas resources of Assam State. The Central Government had approved one time subsidy of Rs. 377 crores for the Assam Gas Cracker Project and infrastructure subsidy of Rs. 72 crore. The Department of Chemicals & Petrochemicals was the facilitator of this Project but the Committee had found that the Department's performance as facilitator was not satisfactory. The Committee had

noted that the issue regarding acquisition of land for the Project had almost been finalised and there was no problem in acquiring the land. However, promoters of the Project were not interested in immediately taking over the land since their first condition was finalisation of Gas Supply Agreement. The Committee had learnt that the agreement for supply of LPG for the Project was now pending with IOCL. They had been informed that for supplying Gas/LPG at the fixed rate of Rs. 600 per thousand cubic metres for a period of 15 years, funds amounting to Rs. 6100 were needed as subsidy. The Committee had noted that the Department of Chemicals & Petrochemicals did not have budgetary provision of this amount and a way had to be found for meeting the shortfall that the Oil and Gas Companies would face in terms of prevailing prices of gas. The Department of Chemicals & Petrochemicals had to go to the Ministry of Finance for providing additional funds for meeting out the charges on account of difference of rates between the current prices and the promised rates. The Committee had specifically noted that more than one Ministry was now involved in execution of the Project. The Committee, had therefore, recommended that Committee of Secretaries consisting of Secretaries of Department of Chemicals & Petrochemicals, Ministry of Petroleum & Natural Gas and Ministry of Finance be constituted under the Chairmanship of Cabinet Secretary and the Cabinet Secretariat be made a nodal agency for resolving all the outstanding issues including finalisation of Gas Supply Agreement, making budgetary provisions for subsidy to Oil Companies, etc.

9. The Ministry of Chemicals & Fertilisers (Department of Chemicals & Petrochemicals) while replying to this observation has submitted as under:

"In order to resolve the issue of funds for giving subsidy to the Oil Companies for supplying gas/LPG at the fixed rate of Rs. 600 per thousand cubic metres of gas as approved by the Cabinet in 1994, the Department of Chemicals & Petrochemicals has consulted the concerned Ministries/Departments and a note is proposed to be placed before the Cabinet.

10. The Committee are not happy with the response of the Ministry. They had specifically desired that a Committee of Secretariat consisting of Secretaries of Department of Chemicals,

Ministry of Petroleum & Natural Gas and Ministry of Finance be constituted under the Chairmanship of Cabinet Secretary and the Cabinet Secretariat should be made nodal agency for resolving all outstanding issues. The Ministry has not responded to this observation. The Committee, therefore, reiterate their earlier recommendation that the Cabinet Secretariat be made nodal agency for resolving the outstanding issues urgently.

C. COMMERCIALISATION OF SEED OF CUSTARD APPLE FOR CONTROLLING PESTS.

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

11. The Committee had learnt that Indian Institute of Chemical Technology, Hyderabad had identified active components from the seed of custard apple which were found effective in controlling pests. This institute had developed and processed technology for their extraction. However, the Institute had not been able to put it in commercial use and was making efforts to find a client who could commercialise this technology. The Committee had recommended that the Department of Chemicals & Petrochemicals should act as facilitator and extended all help to Institute in this task.

12. The Ministry of Chemicals & Fertilisers (Department of Chemicals & Petrochemicals) responded to this observation as under:—

“The Indian Institute of Chemicals Technology (IICT) is an Institute under Department of Scientific & Industrial Research (DSIR) who have a well established scheme for transferring technology to industry. Should any assistance be required from this Department this will readily be made available.”

13. The Committee are happy to note that the Department of Chemicals & Petrochemicals has assured to provide any assistance the Institute of Chemicals & Technology may require from the Department. They would, however, like to emphasise that the Department of Chemicals & Petrochemicals should act as facilitator in commercialising the technology developed by the Indian Institute of Chemical Technology, Hyderabad. For this purpose, the Committee would like that an officer of the level of Joint Secretary in the Department be made responsible to interact with the Institute and draw up schemes for commercialising the technology developed by it.

D. PHARMACEUTICAL RESEARCH AND DEVELOPMENT PROGRAMME

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

14. While examining the Demands for Grants of the Department of Chemicals & Petrochemicals for the year 2003-2004, the Committee had noted that a provision of Rs. 25 lakhs as grant for the pharmaceutical research and development (R&D) programme had been made. While noting that the Department of Science & Technology had a dedicated programme for promoting R&D in the drugs and pharmaceutical sector and, therefore, the Committee had expressed a feeling that there was duplication of work between the Department of Science & Technology and Department of Chemicals & Petrochemicals. The Committee had recommended that pharmaceutical research and development programme be transferred to Department of Science & Technology.

15. In response to this observation, the Ministry of Chemicals & Petrochemicals (Department of Chemicals & Petrochemicals) has submitted as under:—

“The scheme for granting in-house recognition which is administered by Department of Science & Technology relates to all the industries including pharmaceutical industry. The Pharmaceutical Research and Development Programme (PRDP) is a Sectoral Programme only for pharmaceutical industry. There is no overlapping between the two since the areas covered by PRDP are different from those covered by Department of Science & Technology. As such it is felt that this scheme should continue.”

16. The Committee are not convinced with the reply of the Ministry. The thrust of Committee's observation was that an amount of Rs. 25 lakh was too meagre for any research and development programme in pharmaceuticals. The Committee would, therefore, again recommend that the Ministry should seriously re-examine the recommendation of the Committee for transferring the Pharmaceutical Research and Development Programme to the Department of Science and Technology.

**E. NEW PHARMACEUTICAL POLICY****Recommendation (Sl. No. 19)**

17. The Government had announced a new pharmaceutical policy in February, 2002. This policy was aimed at facing new challenges on account of liberalisation/globalisation and new obligations undertaken by India under WTO agreements. The Committee had noted that a Public Interest Litigation in Karnataka High Court had resulted in an order dated 12th November, 2002 which stopped the Government from implementing the price control regime of the Pharmaceutical Policy, 2002. The Committee had been apprised that the industry in general had expressed disappointment on the delay in implementation of the price control regime of the new policy. The Committee had, however, inferred from various sources that the new policy needed some improvements to satisfy the industry in general. The Committee had, therefore, recommended that the Government should have a relook at the new policy and endeavour to make it widely acceptable and free of legal lacunae.

18. The Ministry in reply to this recommendation has submitted as under:—

“A Public Interest Litigation in Karnataka High Court resulted in an order dated 12.11.2002 which stopped the Government from implementing the price control regime of the Pharmaceutical Policy-2002. Government have filed a Special Leave petition in the Supreme Court against the order of the Karnataka High Court. The SLP is listed as SLP (C) No. 3668/03. On the 10th of March, 2003, the Supreme Court passed the following order:—

‘We suspend the operation of the order to the extent it directs that the Policy dated 15.2.2002 shall not be implemented. However, we direct that the petitioner shall consider and formulate appropriate criteria for ensuring essential and life saving drugs not to fall out of price control and further directed to review drugs which are essential and life saving in nature till 2nd May, 2003.’

This Department filed a clarification application in the Supreme Court seeking clarifications on order dated the 10th March, 2003. On the direction to review drugs which are essential & life saving in nature, Ministry of Health and Family Welfare is taking necessary action.

The industry has, in general, welcomed the Policy. As noted by the Committee, the industry has expressed disappointment on the delay in implementation of price control regime of the Policy which is due to judicial intervention."

19. The Committee have seen various Press Reports indicating that the new Pharmaceutical Policy-2002 was not people friendly. Even the Supreme Court of India has commented adversely on this policy and has observed that Government's criteria of selecting drugs for price control was not rational. It has been alleged that the policy did not cater to certain life-saving drugs. The Committee's basic objective in making this recommendation was that the policy should not only be beneficial to the poor people but economically viable for industry also. A right balance has to be maintained between the two. The Committee would, therefore, recommend that the Government should have relook at this policy to make it people friendly.

F. EXECUTION OF BHATINDA PLANT OF HINDUSTAN INSECTICIDES LIMITED (HIL)

**Recommendation (Sl. No. 23)**

20. The Bhatinda Plant of Hindustan Insecticides Limited was to be commissioned, as per the original schedule by December, 2000 at a cost of Rs. 7.70 crores. Since this could not be implemented in time, its cost had gone up and was now estimated to be around Rs. 10.70 crores. The Committee had felt that the reasons advanced by HIL for the non-completion of the Project in time were not convincing and the delay could be contained. The Committee had opined that the Company had failed in this respect.

21. In reply to this observation, the Ministry has stated as under:—

"The Bhatinda Plant of HIL was to be commissioned as per original schedule during December, 2000 at a tentative cost of Rs. 7.70 crores. Subsequently, the layout design, including the total covered area etc. and the capacities of the plant (in terms of equipments), underwent substantial changes on account of the norms of the State Government agencies. Taking into account all this, the revised project cost is estimated to be Rs. 10.70 crores. Two plants viz. Liquid formulation and granulation have been commissioned during the year (2002-2003) and the solid formulation plant is expected to be commissioned in June, 2003. As reported by the company, the cost of the plant has not increased due to time over run."

22. The Committee observe that the Ministry of Chemicals & Fertilisers, Department of Chemicals & Petrochemicals submitted this reply *vide* its O.M. dated 28th July, 2003 wherein it mentioned that the solid formulation plant was expected to be commissioned in June, 2003. They are surprised to note that the Ministry was not aware even on 28th July, 2003 whether the plant had been commissioned in June, 2003 or not. The Committee find this reply as casual and would like the Ministry to be serious and more careful while replying to the Parliamentary Committee's recommendations.



## CHAPTER II

### RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (Part II, Para No. 1)

The Committee while examining the Demands for Grants for the Department of Chemicals & Petrochemicals during the pervious years had advised that the planned outlay for the 9th Plan be utilised fully. From an appraisal of 9th Plan, the Committee note that the approved outlay for the 9th Five Year Plan was Rs. 6760 crore which was later pruned to Rs. 4012.56 crore. However, the actual expenditure for the entire 9th Plan came to Rs. 3398 crore which is almost 50% of the original planned outlay. The Committee while examining Demands for Grants of the Department last year have already observed that utilisation of planed expenditure is not at all satisfactory. As for, as 10th plan outlay is concerned, the Committee observe that as against the proposed outlay of Rs. 3565.58 crore, the approved outlay is Rs. 3044 crore. This consists of IEBR of Rs. 2744 crore and budgetary support of Rs. 300 crore. According to the Department of Chemicals & Petrochemicals the strategies during 10th Plan, at this stage are to execute the plan schemes in the following order of priority:—

- (i) Critical on-going schemes.
- (ii) Schemes aimed at maximising benefits from the existing capacities.
- (iii) New Schemes.

While examining the details of the 10th Plan outlay, the Committee found that it included an amount of Rs. 2470 crore for IPCL which has since been disinvested last year. The Department later explained that when the 10th Five Year Plan for the Department was being prepared in November, 2001, IPCL was in public sector and though the possibility of its disinvestment was strong it was considered advisable to include this also in the 10th Five Year Plan since the exact time of disinvestments in the company was not known. The Committee do not find this explanation satisfactory. While submitting

the papers relating to Demands for Grants for the year 2003-04 before the Parliamentary Committee, the factual details should have been updated. However, after excluding this amount from the plan outlay, the net outlay for the 10th Five Year Plan works out to Rs. 574 crores which the Committee find very meagre. The committee, therefore, advised the Department to recast the 10th Five Year Plan and include all the on-going schemes which were pruned while the 10th Plan was approved by the Planning Commission. The Department should undertake new schemes like establishing of new centres of Central Institute of Plastics Engineering Technology (CIPET), upgrading Institute of Pesticides Formulation Technology (IPFT), strengthening National Institute of Pharmaceutical Education and Research (NIPER), etc.

#### **Reply of the Government**

So far as establishing of new centres of Central Institute of Plastics Engineering & Technology (CIPET) is concerned, the recommendation made by the Committee in this regard has been noted. CIPET will be advised to devise a scheme for setting up new centres.

As regards Institute of Pesticides Formulation Technology (IPFT), a proposal for allocation of Rs. 30.31 crore to IPFT for its various schemes during the 10th Five Year Plan was prepared. This included capital expenditure of Rs. 20.05 crore. Actual allocation, as approved by the Planning Commission, is Rs. 17.00 crore. The Plan outlay for the 10th Five Year Plan has since been finalised. However, efforts would be made to upgrade the Institute if additional funds are made available to this Department.

In so far as National Institute of Pharmaceutical Education & Research (NIPER) is concerned, the original proposal submitted by the Institute for the 10th Five Year Plan was for Rs. 4467.00 lakhs. The outlay as approved by Planning Commission is Rs. 5307.00 lakhs. It may thus be seen that the on-going schemes were not pruned in the Plan outlay relating to NIPER.

[Ministry of Chemicals & Fertilisers Department of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 2)**

The Committee find that annual outlay of Rs. 107.59 crore for the first year of 10th Plan works out to around 1/5 of the total outlay. In

Committee's view this synchronises with the equitable yearly distribution of outlay of 10th Five Year Plan. The Committee hope that yearly actual expenditure shall also synchronise with the allocation for the total plan period.

#### **Reply of the Government**

The recommendation has been noted for compliance. Efforts will be made to synchronise the annual outlay as well as the actual expenditure with the equitable yearly distribution of 10th Five Year Plan outlay of the Department.

[Ministry of Chemicals & Fertilisers Department of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 4)**

The committee find that a provision of Rs. 6.09 crore has been made in this year's budget under the major head 3451 which is used for Secretariat/Economic Services. The Committee observe that there is increase in the budget under this head especially on office expenses. The Department has explained that the increase has been made to procure latest computers and to upgrade and modernize existing computer system. The Committee find this increase as justifiable but would recommend that expenditure on up gradation of Secretariat services should not be sporadic or one time affair but should be consistent and in tune with the need of up gradation. The Committee, therefore recommend that at least a five year up gradation and modernization vision be worked out and expected expenditure distributed equitably each year.

#### **Reply of the Government**

Department of Chemicals & Petrochemicals has already prepared a IT Plan which is under implementation for the period 1999-2000 to 2003-2004. The Department had also proposed separate budgetary allocation for implementation of IT Plan for the years 2003-2004 and 2004-2005. Accordingly, in the Department's budget for the year 2003-2004, separate budget has been allocated for IT Plan.

[Ministry of Chemicals & Fertilisers Department of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 6)**

The Committee are happy to note that the Government have conveyed approval to avail OPEC assistance of US \$ 13.67 million for capacity building of Central Institute of Plastic Engineering and Technology (CIPET). They further note with satisfaction that CIPET has drawn plans to utilize the amount within 3 years from the date of release of first installment. The Committee recommended that the Government should endeavour to get the amount released at the earliest and extend assistance to the Institute to achieve the objective for which this amount has been made available. For this purpose, the Department should appoint a nodal officer to monitor the release of amount and implementation of schemes.

#### **Reply of the Government**

The Governing Council of CIPET in the meeting held on May 28, 2003, under the Chairmanship of President, GC/Secretary (C&PC) has approved the proposal to avail of OPEC assistance by CIPET as a Soft Loan on the stipulated terms and conditions with the foreign exchange risk being assumed by the Govt. of India. The Ministry of Finance (Deptt. of Economic Affairs), has been requested to take further necessary action.

As regards release of OPEC Loan to CIPET this will follow the usual procedure of release of Plan funds by the Government of India. With regard to implementation of the schemes by CIPET under the OPEC Loan, the Governing Council of CIPET under the Chairmanship of the Secretary (C&PC) shall monitor it. The Department of C&PC will also strive to ensure timely implementation.

[Ministry of Chemicals & Fertilisers Department of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 7)**

The Committee note that the Entrepreneurship Development Institute (EDI), Ahmedabad has suggested an action plan for CIPET. The study contains short, medium and long term action plan for CIPET up to 2012. The Governing Council of the Institute has already constituted an Expert Committee to finalise a time table for implementing the action plan. The Committee recommend that an officer at the level of the Joint Secretary in the Department should be

associated with the Expert Committee to facilitate smooth implementation of the action plan.

### **Reply of the Government**

An Expert Committee has already been constituted under the Chairmanship of DG, CIPET to prepare a road-map for planning short, medium and long-term Action Plan of CIPET up to 2012. The Expert Committee will submit their consolidated report to the Sub-Committee on Administration and Finance of CIPET, which is chaired by Jt. Secretary, in-charge of CIPET in the Deptt. of Chemicals & Petrochemicals. Thereafter, the recommendations of the Sub-Committee shall be placed before the Governing Council for approval, whose President is the Secretary (C&PC).

Thus the Joint Secretary, Petrochemicals (in-charge of CIPET) is already associated to facilitate implementation of the Action Plan of CIPET.

[Ministry of Chemicals & Fertilisers Department of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

### **Recommendation (Part II, Para No. 9)**

The process of adjudication of claims for payment of compensation to the victims of Bhopal Gas Leak Disaster commenced in February 1992. The compensation amount that has been deposited by the Union Carbide India Limited with Reserve Bank of India under the orders of the Supreme Court was transferred to the Welfare Commissioner for adjudicating the claims. The Committee note that as on 28th February, 2003, 183 original cases, 7475 appeals, 1196 revision petitions and 24 restored cases were pending in the office of the Welfare Commissioner. In addition 8865 applications were pending for scrutiny in the Court of Welfare Commissioner. The Committee further learn that a part of the appeals which would be decided by the Additional Welfare Commissioner are also likely to land in the Court of Welfare Commissioner for final decision. Thus more than 14000 cases will have to be decided at the level of the Welfare Commission. At this speed it would take 2 to 3 years to dispose off all the pending cases if a full time Welfare Commissioner is appointed. At present a sitting judge of Madhya Pradesh High Court has been appointed to hold the concurrent charge of the office of the Welfare Commissioner, Bhopal Gas Victims.

The Committee had earlier been making recommendations for speedy settlement of pending cases. The Committee desire the Government to make all necessary arrangements to strengthen the office of the Welfare Commissioner to ensure that all the pending cases are disposed off speedily within one year.

#### **Reply of the Government**

Necessary staff and infrastructure have already been provided to the office of the Welfare Commissioner for the expeditious disposal of the claim cases. The recommendation of Committee has been brought to the notice of the Welfare Commissioner, Bhopal Gas victims, Bhopal.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 11)**

The Institute of Pesticides Formulation Technology (IPFT) is a non-profit making organization registered under the Societies Registration Act. The Institute has a provision of Rs. 3.58 crore as Grants-in-Aid in the current financial year. This amount is intended to be spent on various activities of the Institute including capital fund of 2.12 crore. The Committee are happy to learn that IPFT was contemplating to set up a state of the art laboratory catering to analysis of chemical entities under the Organization for the Prohibition of Chemical Weapons (OPCW) regime and also analysis in the field of drinking water. The Committee further learn that the pesticide industry can make use of various facilities available at the Institute including the utilization of scale up facilities for trial manufacturing of products for exports. The Committee recommend that the Institute at its own level should interact with the pesticides industry to acquaint them with the facilities available. By this not only will the facilities be fully utilized but the Institute can generate revenue also.

#### **Reply of the Government**

This has been conveyed to IPFT for compliance.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

### **Recommendation ( Part II, Para No. 18)**

The Committee appreciate that the Institute has filed about 16 patents with the Patent Offices of different countries. The Department should extend all necessary help especially through our missions abroad to enable the Institute to have meaningful interaction with the patenting authorities and obtain the patents soon. After these patents have been awarded and licenced to the industry, part of the financial benefits accruing may also be made available to NIPER for furthering its activities.

### **Reply of the Government**

NIPER has intimated that they will get in touch with the Ministry as and when the need arises for interaction with the patenting authorities.

Most of the patent applications are still pending. These cannot be licensed to any industry at this stage. However, as and when these are licensed to any industry, the institute will charge a lumpsum fee and levy royalty. The amount thus collected will go into the corpus Fund of NIPER.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

### **Recommendation (Part II, Para No. 24)**

The Committee note that Hindustan Insecticides Limited is a potentially sick company as its net worth has eroded by more than 50%. Many of the employees of the company who had applied for VRS have been given their full terminal benefits. The Company is in the process of implementing a second VRS opened in November 2002. With the depletion in the strength of employees, the Committee hope that the company will make all out efforts to make a turn around.

### **Reply of the Government**

HIL has been taking the initiatives for improvement in its performance to turn around the company. HIL implemented VRS in the year 2001-02 resulting in the reduction of manpower and annual saving in personnel cost of Rs. 5.50 crores. Another VRS is being planned by HIL for which a Non-plan provision of Rs 10.00 crores

has been provided in the budget for the year 2003-04. The Bhatinda plant has been relocated and two of its units have been commissioned thereby reducing the idle cost of about Rs. 8.00 crores per year being born by HIL. It will also improve the productivity and profitability of the company. The company has also reduced the cost by replacement of CISF with private security personnel.

As a part of the diversification plan, the company has made arrangements for marketing of liquid bio-fertilizers, for the first time in India.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

**Recommendation (Part II, Para No. 33)**

Bengal Chemicals & Pharmaceuticals Limited (BCPL) is engaged in the manufacture of wide range of industrial chemicals, sulphuric acid, ferric alum and a large number of drugs and pharmaceuticals besides cosmetics and home products. The Company was formally declared sick by BIFR on 14th January, 1993. The Company was offered a revival package in April, 1995 and since then is performing well. The Company has revised the cost of its revival package from Rs. 47.65 crore to Rs. 70.08 crore. The Committee find that the Company has not been able to match its sales with production. The Committee would like the Company to strengthen its marketing network and see that its entire production is sold in the market. They would also urge the Government to ensure that the funds needed for the revival package are made available timely to the Company.

**Reply of the Government**

The Government has released the funds needed for the revival of the company as sought in the modified draft Rehabilitation Scheme.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

**Recommendation (Part II, Para No. 34)**

Hindustan Anti-biotics Limited which was once a premier company has been incurring losses since 1993-94. The Company has been declared sick on 31st March, 1997. The Committee note that



Government have almost taken a decision to privatise it. However, a budgetary support of Rs. 15 crore has also been provisioned for this company during the 10th Plan. A loan of Rs. 3 crore has been earmarked during the current financial year. As in the case of HOCL, in this case also the Committee do not understand the logic of making planned outlay when a decision has already been taken to privatise it. The Committee would like the Government to have a relook at this decision also. In the case of employees who are on the rolls of the company, the Committee would strongly desire that they are paid their salaries and wages regularly.

#### **Reply of the Government**

Government has conveyed to the BIFR for a change in management of the company and would be willing to consider a financial restructuring package without infusion of additional funds, alongwith, and as part of disinvestment to a strategic partner. Based on the directions of the BIFR, the Operating Agency has issued advertisement for exploring possibility for change of management in HAL. In the hearing held on 4th December, 2002 the BIFR, *inter-alia*, passed directions calling for fresh bids for change of management of HAL. The OA has, accordingly, issued an advertisement for inviting bids on 3rd February, 2003. Further developments are awaited.

The funds being released to HAL are essentially for the purpose of renewals and replacements. It is considered desirable that Government continues to provide funds till such time as a final decision on change of management is taken by the BIFR so that the plant and machinery of the Company are maintained in good operating condition.

The employees are being paid their salaries/wages regularly by the Company from its internal resources.

[Ministry of Chemicals & Fertilisers (Deptt. of Chemicals & Petrochemicals) O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

### **CHAPTER III**

#### **RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

##### **Recommendation (Part II, Para No. 3)**

While Examining the 10th Plan outlay, the Committee also noticed that a provision of Rs. 150 crore for HOCL has been made, out of which budgetary support of Rs. 60 crores is proposed for implementing the renewals and replacements/minor schemes to maintain the health of the Chemical Plants and to ensure consistent production and safe operations. The Committee learn that HOCL is in the process of disinvestment. They do not find any logic in investing a large amount in HOCL when it has been decided to disinvest in the Company. The committee, therefore, recommend that the Department should have a re-look at this allocation and spend only the minimum which is needed to keep the plans operations.

##### **Reply of the Government**

The provision of only for renewals and replacements to maintain safe and continuous production. If and when disinvestment takes place and management control passes to the strategic partner, Government would cease to fund the Plan scheme.

[Ministry of Chemicals & Fertilisers (Deptt. of Chemicals & Petrochemicals) O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

##### **Recommendation (Part II, Para No. 16)**

The presence of spurious drugs in the market and even their export is a matter of concern for the Committee. The Committee were, however, apprised that the Department of Chemicals & Petrochemicals has a very limited role in this regard. The Drugs & Cosmetics Act which is administered by the Ministry of Health monitors the quality of the drugs for the domestic and export markets. The Committee would like that their anxiety be conveyed to the Ministry of Health with the recommendation that stringent measures are necessary to check this menace. In this direction, the committee recommend that the

relevant Act should be so announced that the defaulters are not only financially punished but they should be made to serve imprisonment also. The Committee would also like an institutional system to be developed to check the export of spurious drugs. This system can include specialised type of packing of a high category with exporter's hologram fixed on it. The Committee would like that the proposal be examined in detail.

#### **Reply of the Government**

The Department of Chemicals and Petrochemicals has apprised the Department of Commerce & Department of Health of the views of the Committee.

[Ministry of Chemicals & Fertilisers (Deptt. of Chemicals & Petrochemicals) O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Recommendation ( Part II, Para No. 17)**

The Committee note that National Institute of Pharmaceutical Education and Research (NIPER) is functioning as a mother institute to set standards and excellence for research and development in the field of pharmaceuticals. The Committee learn with satisfaction that the various activities covered during 9th Plan for this Institute have been completed and during the 10th Plan period the Institute plans to further strengthen its capacities in the various areas. The Committee hope that the budgetary provision of Rs. 19.48 crore for 2003-04 will be utilised fully by the Institute and the Institute will also achieve its targets of internal generation. The Department should extend all necessary help to make the Institute a model.

#### **Reply of the Government**

The recommendations of the Committee have been noted for compliance by the Department and the Institute has been apprised of the recommendations of the Committee.

[Ministry of Chemicals & Fertilisers (Deptt. of Chemicals & Petrochemicals) O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Recommendation ( Part II, Para No. 20)**

The Committee note that the Government *vide* Notification S.O. No. 134(E) dated 2nd March, 1995 had exempted the small scale

manufacturers from complying with the requirements under para 8 of Drugs (Prices Control) Order, 1995 for scheduled formulations if there is no ceiling price applicable/fixed for such formulations. Such exemption is available to the SSI units subject to submission of a declaration to the Government stating the compliance of the Government stipulations in the notification. The Department has admitted that instances have been noticed where some organized sector units including multi-national companies to whom such exemption is not applicable are alleged to have floated their own outfits to circumvent price control. The Committee feel that there are loopholes in the *ibid* Government's notification. The Committee would like the Government to constitute a departmental study group to suggest amendments to the notification to plug such loopholes which enable the companies to circumvent price control.

#### **Reply of the Government**

National Pharmaceutical Pricing Authority examines the issue of exemption to SSI units under S.O No. 134(E) dated 2.3.1995. The examination includes verification of various conditions relating to independent status of the units, ownership of brand/trade mark of the product, marketing arrangement by the SSI unit etc. Information on various aspects like investment by organized sector unit in the Small Scale Unit, common directors on the boards of organized sector/SSI units, label description showing the name of organized sector company, if any, loan received from organized sector units, nature of drug license given by State Drug Controller etc. are called for verified. After investigation, action is taken in specific cases. In one such case, CBI registered the case against M/s NR Jet Enterprises Limited, Mahim Mumbai, M/s Johnson & Johnson Limited, Mumbai through their directors and others. Whenever suspected cases are noted, National Pharmaceutical Pricing Authority takes necessary action by fixing ceiling prices which are applicable to all manufactures including SSI units.

[Ministry of Chemicals & Fertilisers (Deptt. of Chemicals & Petrochemicals) O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 28)**

The Committee also note that no salary/wages revision has taken place in IDPL since 1986. The Committee desire that the Government should revise the pay structure for all the employees.

### **Reply of the Government**

As regards the pay/wage revision for IDA pattern employees of IDPL, the extant policy of the Government of India permits revision only if a revival package inclusive of provisions for additional expenditure on account of such pay/wage revision, is approved by the BIFR. However, to compensate for the lack of pay revisions effective 1.1.92 and 1.1.97 in IDPL, 100% additional ex-gratia is being given to the employees being separated under the Voluntary Retirement Scheme/Voluntary Separation Scheme.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fi, dt. 28.7.2003]

### **Recommendation (Part II, Para No. 29)**

The Committee also recommend that all the employees should be paid their salaries/wages regularly. The Committee note that an estimated Rs. 511 crore would be required for meeting the terminal dues. Out of this, Rs. 150 crore has already been released in January, 2003 for this purpose. An additional Rs. 61 crore is expected to be released during March, 2003. After taking into account Rs. 211.22 crore provided in the budget in 2003-04, there would be shortfall of about Rs. 90 crore in meeting the requirement projected by IDPL for VRS. The Committee recommend that the Government should make up the shortfall of Rs. 90 crore. The Committee would like to be assured that paucity of funds shall not be allowed to come in the way in paying full terminal benefits to such of the employees who are allowed to avail of VRS.

### **Reply of the Government**

Government has been releasing non-plan loans to the company to meet its liability for payment of salary/wages to its employees since October, 1996. Such funds have been released for the period upto April, 2003 and efforts are being made to clear the liability of the company for subsequent period.

A total of Rs. 411 crore has already been released to IDPL for meeting the liability of the company towards separating employees under VRS. For the balance funds, efforts are being made to obtain the same through the Supplementary Demands for Grants for 2003-04.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin, dt. 28.7.2003]

### **Recommendation (Part II, Para No. 32)**

Hindustan Organic Chemicals Limited is engaged in production of Phenol, Aceton, Nitrobenzene, Nitrotoluene, Chlorobenzene and Nitro-Chloro-benzenes. The Company's loss in the previous year was Rs. 62.68 crore. The Committee note that the Company was being proposed for disinvestment and a financial structuring proposal with infusion of funds to the tune of Rs. 200 crores has also been approved for the Company as a part of the disinvestment process. The Committee do not understand the logic financial restructuring when a decision has been taken to disinvest the same. They would like the Government to have a re-look at the restructuring proposal. At the same time, the Committee would like the evaluation of assets and liabilities of the Company be upgraded before actual disinvestment.

### **Reply of the Government**

The financial re-structuring, alongwith infusion of funds, has been approved by Government as a part of the disinvestment process on the basis of expert advise. At the instance of the Ministry of Disinvestment, the Company has had its assets re-valued.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin, dt. 28.7.2003]

### **Recommendation (Part II, Para No. 35)**

Petrofils Cooperative Limited has been decided to be wound up. The Committee note that a liquidator has already been appointed on 11th April, 2002 to complete the process of winding up. It is also noticed that the liquidation process is under litigation. The debt recovery tribunal has issued stay orders. The Committee feel that the litigation, delays winding up process unnecessarily. The Committee would urge the Department to extend all help to the liquidator to see that litigation is avoided.

### **Reply of the Government**

The Debt Recovery Tribunal (DRT) issued Stay in April 2001 in the application of Banks/Financial Institutions against the disposal of assets/properties of Petrofils Cooperative Limited (PCL). The hearing of the case is being postponed from time to time for one reason or the other. The Liquidator has been making efforts to get the hearing

expedited. The Liquidator also had meetings with the representatives of the Banks/Financial Institutions in order to make them agree to the vacation of the Stay issued by the DRT. The Liquidator has been appointed by the Central Registrar of Cooperative Societies (CRCS) under the Ministry of Agriculture and he is answerable to the CRCS in regard to the liquidator process. The Department of Chemicals & Petrochemicals has requested CRCS to convene a meeting with the concerned Departments and the Liquidator in order to sort out the issue of stay so that the work of liquidation may proceed smoothly.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin, dt. 28.7.2003]

## CHAPTER IV

### RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation (Part II, Para No. 5)**

Central Institute of Plastic Engineering and Technology (CIPET) was established in 1968 as an autonomous organization under the administrative control of Department of Chemicals & Petrochemicals. The basic objective of this Institute is to train people in various disciplines of plastics, plastics processing, etc. for the plastic industry. The Committee are happy to note that the Institute has achieved self-sufficiency in revenue expenditure. CIPET has commissioned all the three on-going extension Centres during the year 2002-2003. The Committee, however, find that the Institute does not have Schemes of establishing new Centres or extension centres during the 10th Plan. Last year they had recommended that CIPET should endeavour to set up their Centres in each State. The Committee reiterate their earlier recommendation and hope that the CIPET will draw a plan accordingly for execution during the next 5 years.

#### **Reply of the Government**

The recommendation of the Committee has been noted. CIPET will be advised to devise a scheme for setting up of new centres.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin, dt. 28.7.2003]

#### **Comments of the Committee**

(Please see Para No. 7 of Chapter I of the Report)

#### **Recommendation (Part II, Para No. 8)**

The Assam Gas Cracker Project was proposed in 1984 for utilization of petroleum fractions of natural gas resources of the State, Assam Industrial Development Corporation (AIDC) was granted Letter of Intent (LOI) for setting up this project. M/s. Reliance Assam



Petrochemicals Limited (RAPL). A joint venture of Reliance Industries Limited and AIDC is implementing this project. The Central Government has approved one time capital subsidy of Rs. 377 crore for the Assam Gas Cracker Project and Infrastructure subsidy of Rs. 72 crore. A token provision of Rs. 2 lakh both planned and non-planned has been made in the budget of 2003-04 which is equal to last year's budget, provision. This Committee had been commenting upto the performance of the Department of Chemicals & Petrochemicals as facilitator of this project and making various recommendations with an objective to kickstart the execution of the project. The Committee, however, express their anguish over the fact that their efforts have not yielded any result. The Committee have been apprised that the issue regarding acquisition of land for the project is almost finalized and there is no problem in acquiring the land and handling it over to the project authorities at the shortest possible time.

The promoters of the project are not interested in immediately taking over the land, since their first condition is finalisation of gas supply agreement with the passage of time the price of gas has increased. In addition the supply of LPG is also required to make up for the shortfall in the supply of gas. The agreement for supplying of LPG for the project is now pending with IOCL. For supplying gas/LPG at the fixed rate of Rs. 600/1000 cubic metres for a period of 15 years, funds amounting to Rs. 6100 crore are needed as subsidy. The Committee take note of the deposition of the Secretary in the Department of Chemicals & Petrochemicals that his Department does not have budgetary provision of this amount and a way has to be found for meeting the shortfall that the oil and gas companies will face in terms of current prices of gas and the assurance that has been given originally. The Department has to go to the Ministry of Finance for providing additional funds for meeting out the charges on account of difference of rates between the current prices and the promised rates. The Secretary did not commit any time frame for resolving all these issues. The Committee, however, observe a positive factor that the promoters are still interested in execution of the project. They have requested for extension of validity of Letter of Intent (LOI) upto 25th January, 2005. The Committee hope that the Government will fulfill their national commitment made to the people of North-East and take all necessary steps to execute the project at the earliest. The Committee find that more than one Ministry is now involved in the matter. The Commitment, therefore, recommends, that a Committee of Secretaries consisting of Secretaries of Department of Chemicals &

Petrochemicals, Ministry of Petroleum & Natural Gas and Ministry of Finance be constituted under the Chairmanship of Cabinet Secretary. The Cabinet Secretariat should now be made the nodal agency for resolving all the outstanding issues including finalisation of Gas Supply Agreement, making budgetary provisions for subsidy to oil companies, etc. The Standing Committee should be apprised of the decisions taken by the Committee of Secretaries.

#### **Reply of the Government**

In order to resolve the issue of funds for giving subsidy to the Oil companies for supplying gas/LPG at the fixed rate of Rs. 600 per thousand cubic meters of gas, as approved by the Cabinet in 1994, the Department of Chemicals & Petrochemicals has constituted the concerned Ministries/Departments and a Note is proposed to be placed before the Cabinet.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals, O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Comments of the Committee**

(Please see Para No. 10 of Chapter I of the Report)

#### **Recommendation ( Part II, Para No. 13)**

The Committee also learn that Indian Institute of Chemical Technology, Hyderabad is a laboratory under the Council of Scientific and Industrial Research. This has identified active components from the seed of custard apple that are effective in controlling pests and has developed and processed technology for their extraction. However, the Institute had not been able to put it to commercial use and was making efforts to find a client who can commercialise this technology. The Committee recommend that the Department of Chemicals & Petrochemicals should act as facilitator and extend all help to Institute in this task.

#### **Reply of the Government**

The Indian Institute of Chemical Technology (IICT) is an Institute under Department of Scientific & Industrial Research (DSIR) who have

a well established scheme for transferring technology to industry. Should any assistance be required from this Department this will readily be made available.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals, O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Comments of the Committee**

(Please see Para No. 13 of Chapter I of the Report)

#### **Recommendation ( Part II, Para No. 14)**

A provision of Rs. 25 lakh as grant under the Pharmaceutical Research and Development Programme has been made this year. However, the Committee learn that the Department of Science & Technology has a dedicated programme for promoting R&D in the drugs and pharmaceutical sector and an expert committee manages this programme. The Committee have a feeling that there is duplication of work between Department of Science & Technology and Department of Chemicals & Petrochemicals. They would like that the Pharmaceutical Research and Development Programme be transferred to Department of Science & Technology.

#### **Reply of the Government**

The scheme for granting in-house recognition, which is administered by Department of Science and Technology, relates to all the industries including Pharmaceutical Industry. The Pharmaceutical Research and Development Programme (PRDP) is a Sectoral Programme only for Pharmaceutical Industry. There is no overlap between the two since the areas covered by PRDP are different from those covered by Department of Science and Technology. As such, it is felt that this scheme should continue.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals, O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Comments of the Committee**

(Please see Para No. 16 of Chapter I of the Report)

### **Recommendation (Part II, Para No. 19)**

The Committee note that the Government have announced a new pharmaceutical policy in February, 2002. Reportedly the policy is aimed at facing new challenges on account of liberalisation, globalisation and new obligations undertaken by India under WTO Agreements. A public interest litigation in Karnataka High Court has resulted in an order dated 12th November, 2002 which has stopped the Government from implementing the price control regime of the pharmaceutical policy 2002. The Committee have also noted that the industry in general has expressed disappointment on the delay in implementation of price control regime of the new policy. The Committee infer from all these that the new policy needs some improvements to satisfy the industry in general. The Committee, therefore, would recommend the Government to have a relook at the new policy and endeavour to make it widely acceptable and free of legal lacunae.

### **Reply of the Government**

A Public Interest Litigation in Karnataka High Court resulted in an order dated 12.11.2002 which stopped, the Government from implementing the price control regime of the Pharmaceutical Policy-2002. Government have filed a Special Leave Petition in the Supreme Court against the order of the Karnataka High Court. The SLP is listed as SLP (C) No. 3668/03. On the 10th of March 2003, the Supreme Court passed the following order:—

“We suspend the operation of the order to the extent it directs that the Policy dated 15.2.2002 shall not be implemented. However, we direct that the petitioner shall consider and formulate appropriate criteria for ensuring essential and life saving drugs not to fall out of price control and further directed to review drugs which are essential and life saving in nature till 2nd May, 2003.”

This Department filed a clarification application in the Supreme Court seeking clarifications on order dated the 10th March, 2002. On the direction to review drugs which are essential & life saving in nature, Ministry of Health and Family Welfare is taking necessary action.

The Industry has, in general, welcomed the Policy. As noted by the Committee, the Industry has expressed disappointment on the delay

in implementation of price control regime of the Policy which is due to judicial intervention.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Comments of the Committee**

(Please see Para No. 19 of Chapter I of the Report)

#### **Recommendation (Part II, Para No. 23)**

Hindustan Insecticides Limited is engaged in production of insecticides, agro-pesticides and eco-friendly bio-pesticides. The Company has been continuously incurring losses and its loss during the year 2001-02 was Rs. 15.41 crore as against Rs. 15.45 crore in the year 2000-01. The company's plant which was earlier located in Delhi was shifted to Bhatinda as per the Supreme court's order. This Bhatinda Plant was to be commissioned as per original schedule by December, 2000 at a cost of Rs. 7.70 crore. Since this could not be completed in time, its cost has gone up and is now estimated to be around Rs. 10.70 crore. The Committee feel that the delay in completion of the project could be contained and the Company has failed in this respect. The reasons advanced by it for non-completion of the project in time are not convincing.

#### **Reply of the Government**

The Bhatinda Plant of HIL was to be commissioned as per original schedule during December, 2000 at a tentative cost of Rs. 7.70 crores. Subsequently, the layout design, including the total covered area etc. and the capacities of the plant (in terms of equipments), underwent substantial changes on account of the norms of the State Government agencies. Taking into account all this, the revised project cost is estimated to be Rs. 10.70 crores. Two plants *viz.* Liquid formulation and granulation have been commissioned during the year (2002-2003) and the solid formulation plant is expected to be commissioned in June 2003. As reported by the company, the cost of the plant has not increased due to time over run.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Comments of the Committee**

(Please see Para No. 22 of Chapter I of the Report)

## CHAPTER V

### RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

#### Recommendation (Part II, Para No. 10)

The Committee note that the studies conducted by some of the NGOs show contamination of land and ground water with toxic wastes within and around Union Carbide Company area. The Committee were informed that the State Government was responsible to take remedial measures in the matter. While not disagreeing with the proposition the Committee desire that this problem should be looked from the human angle and the Central Government should extend all possible help including financial to remedy the position. The Committee note that the State Government had initiated to proposal that a sum of Rs. 50 crore be granted to them from the money deposited by the UCC with the Reserve Bank of India but the request could not be acceded to for the reason that according to the Supreme Court directions this money could be used only for paying compensation to Bhopal Gas Victims. The Committee recommend that the Central Government should re-examine the State Government's request and seek Supreme Court's approval in utilizing this amount on interim basis pending arrangement of finances needed for removing toxic wastes. Meanwhile the State Government should be asked to examine alternative proposals to arrange needed finances.

#### Reply of the Government

The recommendation of the Committee to examine alternative proposals for arranging the finances has been brought to the notice of the Government of Madhya Pradesh. So far as the utilization of balance money is concerned, some of the Bhopal Gas victims have filed a PIL in the Supreme Court with a prayer that this money should be used for paying interest and for disbursing, on pro-rata basis to the Bhopal gas victims whose cases have been decided by the office of the Welfare Commissioner. Any decision on utilization of balance money for purposes other than compensation can be taken up after the decision of the Supreme Court in the said case.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

### **Recommendation (Part II, Para No. 12)**

Chemical Weapons Convention is a universal non-discriminatory Multi-Lateral Disarmament Treaty which bans the development, production, acquisition, transfer, use and stockpile of all chemical weapons. CWC Act has been notified on 28th August, 2000 whereas the rules under the Act are being framed. The Committee had recommended last year also that the rules under this Act be framed and notified at the earliest but no headway has been made. They reiterate their recommendation that the rules under the Act be finalized and notified at the earliest. CWC conducts inspection as part of their convention. The Committee note that there is no provision in the convention for making public, the findings of the inspection. They appreciate this position but would recommend that to lend credibility to the functioning of the convention the Government should explore the possibility of making public the findings of the inspections in the form of tabling a report or making a statement in the Parliament.

### **Reply of the Government**

The Department is examining the issue of making OPCW inspections report public in consultation with the National Authority and concerned Ministries.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

### **Recommendation (Part II, Para No. 15)**

The Department of Chemicals & Petrochemicals undertakes various Pharmaceutical Export Promotion Schemes. For this, a sum of Rs. 3 lakhs has been provisioned in this year's Budget. The Committee were informed that initiatives under this scheme include building up data base interaction with industry associations on export related issues, representation in inter-Government States, etc. An Export Promotion Cell functions in the Department and this Cell has contributed a lot in boosting the pharmaceutical export. The Export Promotion Cell collects the data from various sources and this data is made available to the industry associations, through the newsletter. Looking into various activities related with the pharmaceutical schemes and the activities of Export Promotion Cell, the Committee are of the opinion that a provision of Rs. 3 lakh is too meagre to accomplish the desired

objectives of this scheme. The Committee, therefore, recommend that the Government should strengthen the Export Promotion Cell administratively and financially and also conduct an independent professional study to know the measures/schemes needed to export of pharmaceutical goods. The Government should then undertake various Export Promotion Schemes which may in reality help the pharma industry and the exporter.

#### **Reply of the Government**

Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council, CEMEXCIL, has been approached to conduct an independent professional study to identify the measures/schemes needed for export of pharmaceutical goods.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 21)**

The Committee learn that the Ministry of Commerce & Industry (Department of Industrial Policy and Promotion) has notified Draft Patent Rules on 20th September, 2002 and these rules have not been welcomed by the Pharma Industry. The objections relate to exclusive marketing rights, compulsory licensing and definition of the term public interest. The Pharma Industry has petitioned the Government to modify the Patent rules. This Committee take note of such petitions and would urge the Department to liaise with the concerned Ministry/Departments and endeavour to remove the misgivings.

#### **Reply of the Government**

The Department of Chemicals and Petrochemicals has apprised the Department of Commerce and also Department of Industrial Policy and Promotion of the views of the Committee.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin. dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 22)**

The Drug Prices Liability Review Committee was constituted on 21st March, 1994 initially for a period of 6 months but its tenure is



being extended from time to time. The Department of Chemicals & Petrochemicals has made a provision of Rs. 48 lakhs this year for the functioning of this Committee. The Standing Committee on Petroleum & Chemicals after a review of DPLRC are constrained to observe that it has become almost a non-functional entity. This Committee note that the Department has referred 72 assessment cases involving an amount of Rs. 220 crores to DPLRC during 1994—97 and this Committee could furnish the recommendations in 50 cases only to the Department. Out of these 50 cases, some companies in 18 cases have approached the courts with a view to delaying the recovery. The earliest date of these 22 pending cases is 8th August, 1995. The Standing Committee while examining the Demands for Grants during last year had recommended that the relevant rules/regulations should be so amended that the litigants should be made to first deposit the entire amount in DPE Account before going in for appeal in the court of law. The Committee regret to observe that the Department has taken half-hearted measures to implement this recommendation. The Committee reiterate their earlier recommendation that the Government should amend the Act, relevant rules/regulations to make the litigant to pay full amount before the filling an appeal in the court of law.

#### **Reply of the Government**

The matter has been taken up with the Department of Legal Affairs, Ministry of Law and Justice for their advice in the matter.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 25)**

HIL has a subsidiary company namely the Southern Pesticides Corporation Limited (SPEC). This company has been closed and all the employees have been given Voluntary Separation Scheme. The Affairs of the Company had been handed over to the official liquidator in July, 2002. The Committee note that the terminal benefits in respect of all the employees of this company except 4 have been released. The benefits in respect of these 4 employees have been withheld due to administrative reasons. The official liquidator who has been appointed to wind up the company is in the process of winding up the same. The Committee desire that all the affairs of the company including payment of terminal benefits to the remaining 4 employees and winding up the company should be completed during this financial year.

### Reply of the Government

The Government has no control over the Official Liquidator. Law would take its own course. The matter relating to payment of terminal benefits to the remaining employees is under active consideration.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### Recommendation (Part II, Para No. 26)

Indian Drugs and Pharmaceuticals Limited was established in 1961 with the primary objective of creating self-sufficiency in essential life saving drugs and medicines. The Company was declared sick by BIFR in August, 1992. As per the estimate the net worth of the company as on 31st March, 2002 was Rs. (-) 1600.43 crore which is estimated to be around Rs. (-) 1900 crore this year. This Committee in their previous reports had emphasised upon the Government the need to revive IDPL but it is regretted that instead of implementing the recommendations, the Government have left everything at the discretion of BIFR. The Committee have noted that the Government have informed BIFR that they intend to provide the following concessions/facilities for cleaning up of the balance sheet of the IDPL to facilitate its privatisation:—

- (a) Conversion of Government loan into equity
- (b) Waiver of interest/penal interest and guarantee fee by Government of India
- (c) Payment of outstanding statutory dues and funding of VRS.

The Committee further note that out of total 6592 employees of the company, 6531 have opted for VRS introduced in IDPL. The Committee are of the opinion that the IDPL can be revived after providing the concessions as mentioned above and by cashing on company's various products which were both profit making and well established in the market. IDPL in the past has tremendously contributed in making family planning programme a continued success and controlling the plague. The Committee strongly recommend that after implementing the concessions/facilities for cleaning up of the balance sheet of IDPL, there is a vast scope for revival of IDPL. The Committee strongly recommend that the Government should strive to

revive IDPL if not as a whole, on plant to plant basis *i.e.* on stand alone basis.

#### **Reply of the Government**

After the stand of the Government as indicated in the Para above was conveyed to the BIFR, proposals from various parties were received by the OA in response to the advertisement issued pursuant to the directions of the BIFR for change of management. The OA analysed the responses and held a joint meeting with all stakeholders on 28.2.2003. Further action by the OA for apprising the BIFR in the matter is awaited. Revival of the units of IDPL would depend on the decision of the BIFR.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 27)**

IDPL is a rich asset company and Government should consider parting with some assets of the plants through sales and investing the proceeds from it for revival of the respective plants.

#### **Reply of the Government**

A decision to dispose/alienate any property of IDPL requires the permission of BIFR and such a move can be initiated only as part of a viable rehabilitation plan, which has yet not been formulated in the case of IDPL. In view of this, Government may not be able to intervene in the matter at this stage.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 30)**

Smith Stanistreet Pharmaceuticals Limited has been declared a sick Company and BIFR has framed its opinion that it was just, equitable and in public interest that the company should be wound up. The Committee note that consequent upon this decision, the proposal of VSS in SSPL was initiated in June, 2002, and the same was sent for Cabinet approval in February, 2003. During evidence, Secretary in the Department apprised the Committee that the proposal has since been

approved by the Cabinet. The Committee also learn that there are about 2 dozen employees in the Company who were appointed on compassionate grounds long time back besides some badli workers. The Committee recommend that in the event of winding up the Company the social and financial interests of these employees should also be secured along with those of the regular employees. The Committee would like to be assured the full terminal benefits including gratuity, etc. would be paid to the employees before they actually go for VSS.

#### **Reply of the Government**

The Government will try its best to take care of the Financial interest of all the employees of the company before they actually go for VSS as per the existing laws in force.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 31)**

Bengal Immunity Limited is a sick Company and BIFR has framed its *prima facie* opinion to wind up the same. The Committee have been apprised that the salary and wages of the employees of the company are being paid regularly and have been paid up to January, 2003. As in the case of SSPL, the Committee in this case would also like to be assured that employees are given their full terminal benefits before they actually go for VSS.

#### **Reply of the Government**

The Government will try its best to take care of the Financial interest of all the employees of the company before they actually go for VSS as per the existing laws in force.

[Ministry of Chemicals & Fertilisers Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin dt. 28.7.2003]

#### **Recommendation (Part II, Para No. 36)**

The Committee note that after the proposals contained in this year's budget some sections of the chemical sector have sought changes in the basic custom duty. The Committee hope that the Department after

examination of the representation in such matters would make appropriate recommendations to the Finance Minister.

### Reply of the Government

The Department has received some post budget representation from chemical industries and their associations. Out of these, the items, as mentioned below, are being examined by the Department.

Sl. No.	Request received from	Request in brief
1.	Indian Chemical Manufacturers Association (ICMA)	Revision of custom duty on Capital Goods.
2.	-do-	Revision of custom duty on De-natured Ethyl Alcohol.
3.	-do-	Revision of custom duty on imported catalysts.
4.	-do-	Revision of custom duty on Fuels/Furnace Oils/LSHS.
5.	All India Hydrofluoric Acid Manufacturers Association	Revision of custom duty on Carbon Black Feedstock.
6.	Alkali Manufacturers Association of India (AMAI)	Revision of custom duty on the imports of parts and components for Membrane Cell plants for Caustic Soda industry.
7.	-do-	Revision of custom duty on captive power plants for Caustic Soda Industry.
8.	-do-	Revision of custom duty on Soda Ash.

[Ministry of Chemicals & Fertilisers, Deptt. of Chemicals & Petrochemicals O.M. No. 16(5)/2003-Fin, dt. 28.7.2003]

NEW DELHI;  
August 19, 2003  
Sravana 28, 1925 (Saka)

MULAYAM SINGH YADAV,  
Chairman,  
Standing Committee on  
Petroleum & Chemicals.

**APPENDIX I**

**MINUTES**

**STANDING COMMITTEE ON PETROLEUM & CHEMICALS (2003)**

**Seventh Sitting  
(19.08.2003)**

The Committee sat from 1000 hrs. to 1030 hrs.

**PRESENT**

**Shri Mulayam Singh Yadav—Chairman**

**MEMBERS**

*Lok Sabha*

2. Dr. (Smt.) Suguna Kumari Chellamella
3. Shri Khagen Das
4. Shri Harpal Singh Sathi
5. Shri Paban Singh Ghatowar
6. Shri Bijoy Handique
7. Shri Shriprakash Jaiswal
8. Shri Punnulal Mohale
9. Shri P. Mohan
10. Shri Ashok N. Mohol
11. Dr. Debendra Pradhan
12. Shri Ram Sajivan
13. Dr. (Smt.) V. Saroja
14. Dr. Ramesh Chand Tomar
15. Shri Prabhunath Singh
16. Dr. Ram Lakhani Singh
17. Shri A.K.S. Vijayan

*Rajya Sabha*

18. Shri Balkavi Bairagi
19. Shri Ram Nath Kovind
20. Shri Anil Kumar
21. Shri Kripal Parmar
22. Shri V.V. Raghavan
23. Ms. Mabel Rebello
24. Shri Thanga Tamilselvan

SECRETARIAT

1. Shri P.K. Grover — Director
2. Shri J.N. Oberoi — Officer on Special Duty
3. Dr. Ram Raj Rai — Assistant Director

2. At the outset, Hon'ble Chairman welcomed the Members to the sitting and explained the purpose of the day's meeting.

3. Thereafter, he invited the Members to give their suggestions, if any, on the following draft Reports being considered for adoption:—

- (i) \*\* \*\* \*
- (ii) \*\* \*\* \*
- (iii) \*\* \*\* \*
- (iv) \*\* \*\* \*
- (v) \*\* \*\* \*
- (vi) \*\* \*\* \*
- (vii) Fifty-First Report on action taken by Government on the recommendations contained in the Fortieth Report (13th Lok Sabha) of the Standing Committee on Petroleum & Chemicals (2003) on Demands for Grants of Ministry of Chemicals & Fertilisers, Department of Chemicals & Petrochemicals for the year 2003-2004.

4. After some consideration, the Committee adopted the Reports subject to minor modifications.

5. The Committee, thereafter, authorised the Chairman to finalise the Reports after factual verification from the concerned Ministries/Departments and present them to the Parliament.

6. The Committee placed on record their appreciation of the work done by all the Sub-Committees of the Standing Committee on Petroleum & Chemicals.

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

8. \*\* \*\* \*

*The Committee then adjourned.*

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\*\*Matters not related to this Report.

**APPENDIX II**  
(Vide Para 3 of the Introduction)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE FORTIETH REPORT  
(THIRTEENTH LOK SABHA) OF THE STANDING COMMITTEE  
ON PETROLEUM & CHEMICALS (2003) ON 'DEMANDS FOR  
GRANTS OF MINISTRY OF CHEMICALS & FERTILISERS,  
DEPARTMENT OF CHEMICALS & PETROCHEMICALS  
FOR THE YEAR 2003-2004'.

I.	Total No. of Recommendations	36
II.	Recommendations which have been accepted by the Government (Vide Recommendations at Sl. Nos. 1, 2, 4, 6, 7, 9, 11, 18, 24, 33 and 34)	11
	Percentage to Total	30.55%
III.	Recommendations which the Committee do not desire to pursue in view of the Government Replies (Vide Recommendations at Sl. Nos. 3, 16, 17, 20, 28, 29, 32 and 35)	8
	Percentage to Total	22.23%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations at Sl. Nos. 5, 8, 13, 14, 19 and 23)	6
	Percentage to Total	16.67%
V.	Recommendations in respect of which final replies of the Government are still awaited (Vide Recommendations at Sl. Nos. 10, 12, 15, 21, 22, 25, 26, 27, 30, 31 and 36)	11
	Percentage to Total	30.55%