

ANNUAL REPORT

2003-2004



**DEPARTMENT OF CHEMICALS AND PETROCHEMICALS
MINISTRY OF CHEMICALS & FERTILIZERS
GOVERNMENT OF INDIA
NEW DELHI**

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I: INTRODUCTION

The Department of Chemicals & Petrochemicals has been a part of the Ministry of Chemicals and Fertilizers since 5.7.1991. The Department is entrusted with the responsibility of policy, planning, development and regulation of Chemical, Petrochemical and Pharmaceutical Industries. The business allocated to the Department is listed at Annexure-I.

Shri Sukhdev Singh Dhindsa continues to be in charge as Minister of Chemicals & Fertilizers since 7.11.2000.

Dr. Chhattra Pal Singh assumed the charge of the office of the Minister of State in the Ministry of Chemicals and Fertilizers vice Shri Tapan Sikdar on 29.1.2003.

Shri Pratyush Sinha assumed the charge as Secretary in the Department on 3.2.2004.

II: PERFORMANCE OF INDUSTRIES

A. PHARMACEUTICAL INDUSTRY:

The Indian Pharmaceutical industry, now a \$ 4 billion industry has shown tremendous progress in terms of infrastructure development, technology base and wide range of products. The industry produces bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing process and has also developed excellent Good Manufacturing Practices (GMP) compliant facilities for the production of different dosage forms. The strength of the industry is developing cost effective technologies in the shortest possible time for drug intermediates and bulk actives without compromising on quality. This is realized through country's strengths in organic synthesis and process engineering. The country's fame as a low cost producer of Antiretrovirals and supplier of the same to international organisations and more important by the needy African markets is now part of history.

2. Many Indian companies maintain highest standards in Purity, Stability and International SHE requirements, namely, Safety, Health and Environmental protection in production and supply bulk drugs to even innovator companies. This speaks of the high quality standards maintained by large number of Indian companies as these bulk actives are used by the

buyer companies in the dosage forms which are again subject to stringent assessment by various regulatory authorities in the importing countries. More Indian Companies are now seeking regulatory approvals in USA in specialized segments like Antiinfectives, Cardiovasculars, Central Nervous System Stimulants (CNS group). Along with Brazil and PR China, India has carved a niche for itself by being a top generic pharma player.

3. Considering that the pharmaceutical industry is an industry involving sophisticated technology and stringent GMP requirements, major share of Indian pharma exports itself going to highly developed western countries speaks not only about excellent quality of Indian pharmaceuticals but also about the reasonableness of the prices. More of Indian companies, in addition to having WHO GMP, have also been getting plant approvals from International regulatory agencies like United States Food & Drugs Administration (USFDA), MCA UK, TGA Australia, MCC South Africa.

1.0 PRODUCTION

1.1 During 2002-2003 several proposals for technology transfer including joint ventures, proposals for foreign direct investment, setting up of new undertakings/expansion of existing units (manufacture of new articles in the existing units) have been received and processed. Following the delicensing of the pharmaceutical industry, a number of Industrial Entrepreneurial Memorandums (IEM) for the manufacture of various bulk drugs/drug intermediates/formulations were received. The major items covered by the IEMs include a wide range of bulk drugs, intravenous fluids, formulations etc.

2.0 EXPORTS

2.1 Export of Drugs, Pharmaceuticals and fine chemicals during the last four years has been as follows:

	(in Rs. Crores)			
	1999-2000	2000-2001	2001-2002	2002-03
(Provisional)	7230.16	8757.47	9834.7	11925.4

Pharmaceutical exports have clocked a growth rate of 15.57% in 1999-2000, 20.73% in 2000-2001 and 11.13% in 2001-2002 and 21.2% in 2002-03 (provisional).

Source: Directorate General of Commercial Intelligence and Statistics (DGCIS)

3.0 EXPORT PROMOTION CELL

3.1 An Export Promotion Cell in the Pharmaceutical Division has been functioning with the objective of boosting pharmaceutical exports and to act as a nodal center for all queries/issues regarding pharmaceutical exports. The Cell also undertakes promotional activities for acceleration of pharmaceutical exports and considers suggestions for modifications in EXIM Policy from the industry. The Cell has also been entrusted with the organization of seminars and workshops on standards, quality control requirements etc. of important countries so as to prepare the domestic companies for exporting their products. During the year, visits were undertaken to South Africa and other African countries and discussions were held on various aspects of pharma industry and ways and means of boosting exports to these countries. Database on the status of Pharmaceutical industry in many countries is available in the cell for the benefit of Indian exporters.

4.0 IMPORTS

4.1 In accordance with the information available from D.G.C.I.S. imports of medicinal and pharmaceutical products for the last three years have been as under:

Year	Import of medicinal & pharmaceutical products (in Rs. Crores)
2000-01	1701.46
2001-02	2026.58
2002-03	2717.82 (Prov.)

Source: D.G.C.I.S.

4.2 There have been no reports of shortages in recent years. As already indicated the country is almost self-sufficient in case of formulations required by the consumers. It may also be mentioned that industrial licensing for most of the drugs and pharmaceutical products have been done away with. The manufacturers are free to produce any drug duly approved by the Drug Control authorities.

4.3 Imports of drugs and pharmaceuticals are allowed freely, except those in the restricted list of import under the current EXIM Policy, which can be imported under an import licence. In view of these steps, no shortage of

medicines is likely to occur. Import can take place from any part of the world, there being no general restrictions.

5.0 RESEARCH AND DEVELOPMENT

5.1 The Department of Science and Technology has a dedicated programme for promoting R&D in the drugs and pharmaceutical sector. A two-tier structure exists to manage the programme, viz., an Apex Executive Committee at the Secretariat level, chaired by the Secretary, Department of Science & Technology and an Expert Committee at the operational level.

5.2 To be globally viable in R&D, high-level expertise and adequate human resources as also modern facilities in specified areas of drug development are required. It was, therefore, decided that the Department of Science & Technology Programme, besides assisting new drug development projects, should also support creation of facilities that are essential for new drug development.

5.3 Accordingly, facilities that are needed urgently and that would need to be created, namely, (a) DHA gyrase screening facility; (b) Quantity-Structure-Activity-Relationship (QSAR) facility; (c) immunomodulators modeling and screening and (d) Pharmacological testing were identified. In the Department of Chemicals and Petrochemicals, a budgetary provision of Rs.25 lakhs exists for the year 2003-2004 to fund R&D projects and R&D related studies in the pharmaceutical sector.

5.4 Government has taken several policy initiatives for strengthening Research & Development in pharma sector. Due to measures such as fiscal incentives to R&D units in pharma sector and steps to streamline procedures concerning development of new drug molecules, clinical research and new drug delivery systems, this activity is seeing progress and new R&D set ups with excellent infrastructure are coming up in the field of original drug discovery and leading drug companies have licensed their NCEs to MNCs. It is gathered that a few products are expected to go for clinical trials in the next few years in the areas of Anti-infective, Anti-cancer and life-style segments. Compared to the reported average R&D spending of 2% of turnover in the sector, a few leading Indian pharma companies have increased their R&D spending to over 5% of their turnover.

6.0 National Pharmaceutical Pricing Authority (NPPA)

6.1 The National Pharmaceutical Pricing Authority (NPPA), an independent body of experts, was established on 29.08.1997 under the Ministry of

Chemicals and Fertilizers, Department of Chemicals and Petrochemicals. The Authority is entrusted with the task of price fixation/revision and other related matters such as monitoring the prices of decontrolled drugs and formulations and enforcing and implementing the provisions of the Drugs (Prices Control) Order (DPCO), 1995.

- 6.2 The functions of the National Pharmaceutical Pricing Authority are:
- * To implement and enforce the provisions of the Drugs (Prices Control) Order, 1995 in accordance with the powers delegated to it.
 - * To undertake and/or sponsor relevant studies in respect of pricing of drugs/formulations.
 - * To monitor the availability of drugs, identify shortages, if any, and to take remedial steps;
 - * To collect/ maintain data on production, exports and imports, market share of individual companies, profitability of companies etc. for bulk drugs and formulations;
 - * To deal with all legal matters arising out of the decisions of the Authority.
 - * To render advice to the Central Government on changes/revisions in the drug policy;
 - * To render assistance to the Central Government in parliamentary matters relating to drug pricing.

Performance since inception and up to 31st October 2003

6.3 The National Pharmaceutical Pricing Authority (NPPA) has fixed/ revised the prices of scheduled bulk drugs in 135 cases, which include 48 derivatives of scheduled bulk drugs and 2381 formulations since its inception. Of these, the prices of 37 scheduled bulk drugs, including 15 derivatives and 330 formulations were fixed/ revised during the period 1st April 2003 to 31st October 2003

6.4 The NPPA compiles the annual data on production and import of selected monitored bulk drugs. The data for the years 2000-2001, 2001-2002 and 2002-2003 has been compiled (Annexure-II).

7.0 DRUG PRICES EQUALISATION ACCOUNT

7.1 The Drug Prices Liabilities Review Committee (DPLRC) has been constituted under the Chairmanship of a Judge of Delhi High Court (now

retired) along with two members to review the entire matter relating to liabilities of each of the Drug Companies arising on account of the implementation of provisions of the Drugs (Prices Control) Order, 1979. Department of Chemicals & Petrochemicals had referred 72 assessment cases to the DPLRC for its recommendations. The Committee had furnished its recommendations in 50 cases to the Department of Chemicals & Petrochemicals for taking further necessary action to recover the due amounts. In all the remaining cases, the concerned companies have either obtained individual Interim Stay from the High Courts or have claimed that their cases were covered by Interim Stay dated 30.6.97 of the Bombay High Court obtained by the Organization of Pharmaceutical Producers of India (OPPI) and Indian Drugs Manufacturers' Association (IDMA) restraining the Department of Chemicals & Petrochemicals as well as DPLRC from issuing fresh notices to the companies with regard to DPEA liabilities under Drugs (Prices Control) Order, 1979. Out of the 50 cases also some companies in 18 cases have moved various High Courts and obtained stay.

7.2 The revised terms of reference of the Drugs Prices Liabilities Review Committee have been notified vide Resolution No.12 (2)/99-DPEA dated 10.10.2002. The Committee shall now quantify the liability of each of the companies arising on account of the implementation of the provisions of the Drugs (Prices Control) Order, 1979 read along with the provisions of the subsequent Drugs (Prices Control) Orders and the various Court Orders in this regard. The Department has referred 31 cases to the Committee on 11.10.2002 for quantifying the amount of liability. These cases are those where the Committee had earlier given their reports to the Department for determining the liabilities based on their recommendations contained therein.

B. CHEMICALS, PESTICIDES AND ALLIED INDUSTRIES

Chemical industry is one of the oldest industries in India. It not only plays a crucial role in meeting the daily needs of the common man, but also contributes significantly towards industrial and economic growth of the nation. The industry, including petro-chemicals, and alcohol-based chemicals, has grown at a pace outperforming the overall growth of the industry.

2. The global chemical market is estimated at approximately USD 1.5 trillion in 2002. Western Europe is the largest chemical-producing region followed by North America and Asia.

3. The Indian Chemical Industry ranks 12th by volume in the world production of chemicals. The industry's current turnover is about USD 30 billion which is 14% of the total manufacturing output of the country. The export of chemicals in the year 2000 was USD 4.5 billion, which forms almost 14% of the exports from the manufacturing sector, and about 11.15% of the country's total export. Substantial proportion of these exports goes to the USA, Europe and other developed nations. Its contribution to the national revenue by way of custom and excise duties is about 20%. India is strong in basic chemicals that go into production of consumer items like paints, dyes, soaps, medicines, toiletries, cosmetics, etc.

4. The Indian Chemicals Industry comprises both small and large scale units. The fiscal concessions granted to small sector in mid-eighties led to establishment of large number of units in the Small Scale Industry (SSI) sector. Currently, the Indian Chemical Industry is in the midst of major restructuring and consolidation phase. With the shift in emphasis on product innovation, brand building and environmental friendliness, this industry is increasingly moving towards greater customer-orientation. Even though India enjoys an abundant supply of basic raw materials, it will have to build upon technical services and marketing capabilities to face global competition and increase its share of exports.

5. In terms of consumption, the chemical industry is its own largest customer and accounts for approximately 33 per cent of the consumption. In most cases, basic chemicals undergo several processing stages to be converted into downstream chemicals. These in turn are used for industrial applications, agriculture, or directly for consumer markets. Industrial and agricultural uses of chemicals include auxiliary materials such as adhesives, unprocessed plastics, dyes and fertilizers, while uses within the consumer sector include pharmaceuticals, cosmetics, household products, paints, etc.

6. India also produces a large number of fine and speciality chemicals, which have very specific uses and are essential for increasing industrial production. These find wide usage as food additives, pigments, polymer additives, anti-oxidants in the rubber industry, etc. Some of the important manufacturers of speciality chemicals including NOCIL, Bayer (India), ICI (India), Hyco Products and Colour Chemical.

7. The Dyestuff sector is one of the important segments of the chemicals industry in India, having forward and backward linkages with a variety of

sectors like textiles, leather, paper, plastics, printing ink and foodstuffs. The textile industry accounts for the largest consumption of dyestuffs at nearly 70%. From being importers and distributors in the 1950's, it has now emerged as a very strong industry and a major foreign exchange earner. India has emerged as a global supplier of dyestuff and dyes intermediates, particularly for reactive, acid, vat and direct dyes. As for a global production of dyes is concerned, India accounts for 6% of the world production.

8. Chemical fertilizers and pesticides played an important role in the "Green Revolution" during the 1960s and 1970s. The consumption of pesticides in India is low in comparison to other countries. Indian exports of agrochemicals have shown an impressive growth over the last five years. The key export destination markets are USA, UK, France, Netherlands, Belgium, Spain, South Africa, Bangladesh, Malaysia and Singapore.

9. The Government is promoting research on the use of alternative and unharmed pesticides using neem seeds. A country programme entitled "Development and Production of Neem Products as Environment Friendly Pesticides" is being undertaken by the Department of Chemicals & Petrochemicals with the financial assistance of United Nations Development Programme (UNDP)/ United Nations Industrial Development Organization (UNIDO). The project is being implemented at two locations viz., Nimpith in West Bengal and Nagpur in Maharashtra to promote production, processing and use of neem-based products, thereby aiding wasteland development, generating rural employment and providing farmers with eco-friendly/bio-degradable pesticides.

10. Production performance of some of the important chemicals including pesticides and dyestuffs are given below:

Item	Installed capacity 31.3.2003 (Anticipated)	(in 000 tonnes)		
		2002-2003	PRODUCTION 2003-04 2004-2005 (Estimated)	
Soda Ash	2042	1632	1673	1840
Caustic Soda	1953	1520	1552	1707
Liquid Chlorine	1448	970	1012	1113

Calcium Carbide	86.50	49.00	45	50
Phenol	66.5	76.20	72	79
Methanol	385.00	362.10	366	403
Tech Pesticides	144.95	68.17	68	75
Dyestuffs	52.70	25.90	27	29

Details of capacity and production of Chemicals during 2002-2003, 2003-04 (estimated) and 2004-05 (anticipated) are at Annexure III.

2.0 CHEMICAL WEAPONS CONVENTION

2.1 Chemical Weapons Convention is a universal non-discriminatory multilateral, disarmament treaty, which bans the development, production, acquisition, transfer, use and stockpile of all chemical weapons. The treaty puts all the States Parties on an equal footing. Countries who produce and use chemicals that can be conveniently converted into chemical weapons have to be open and transparent about the use they put these chemicals to. The Convention was opened for signature on 13th January 1993 in Paris. India signed the Convention on 14th January 1993.

2.2 The Convention entered into force on 29th April 1997. So far 147 countries have ratified the Convention. Some of the important countries that have ratified the Convention include USA, China, Japan, United Kingdom, France, Germany, Australia, Canada, Russia, Pakistan and Netherlands. The Convention is being implemented by the Organization for the Prohibition of Chemical Weapons (OPCW) established in The Hague.

2.3 As national implementation measures and in order to fulfill its obligation under the Convention, each State party has to designate a National Authority to serve as the national focal point for effective liaison with the Organization and other States Parties. In India, the National Authority has already been established.

2.4 The Convention classifies toxic chemicals into three schedules. Schedule 1 lists chemicals that are produced and stockpiled as chemical

weapons. Schedule 2 contains such precursors, which pose significant risk to the objective and purpose of CWC, since these chemicals are capable of generating Schedule 1 chemicals. In Schedule 3 are listed the dual-purpose chemicals that have large number of legitimate civilian commercial applications and which could also be used for purposes of developing chemical weapons.

2.5 Declarations and verification are the two important aspects for implementation of the Convention. Each State Party is required to make annual declarations of the production, import and export of scheduled chemicals and their production facilities. India has been making declarations within the prescribed time-frame. As part of verification process, Organization for Prohibition of Chemical Weapons, which is based at The Hague, Netherlands, undertakes inspections of the declared chemical facilities in Member States to ensure that the activities are being undertaken in terms of the Chemical Weapons Convention. So far, India has received 14 such inspections.

2.6 The First Review Conference of the Chemical Weapons Convention was held in April-May 2003 at The Hague, Netherlands. The Conference reviewed the operation of the Convention for last 6 years. It assessed the current process of destruction of declared arsenals and took into account relevant scientific and technical developments. It also reviewed and examined the procedures of Convention relating to verification of chemical industry. The Conference provides strategic guidance for the next phase of the implementation of Chemical Weapons Convention. The Department of Chemicals and Petrochemicals was represented in this Review Conference. It has been taking part in various sessions and activities of OPCW to represent the interest of the Indian chemical industry.

2.7 To be able to discharge the obligations under the Convention, each country is required to have a domestic legislation, which makes the filing of correct information about various activities in schedule chemicals mandatory. CWC Act has been enacted on 28th August 2000.

C. PETROCHEMICAL INDUSTRY

The Petrochemical Industry which mainly comprises polymers, synthetic fibres, fibre intermediates, elastomers, surfactants, performance

plastics, aromatics and olefins is expected to grow at about 9.5% annually in terms of production since 1999-2000 by the end of March,04. The demand for major petrochemicals which crossed 6 million tonnes by the end of the year 2002-03 comprising about 3.8 million tonnes of commodity plastics and 1.8 million tonnes of synthetic fibres is expected to touch 6.6 million tonnes by the end of the year 2003-04 with about 4 million tonnes of commodity polymers and about 2 million tonnes of synthetic fibres. Growth in consumption is expected at about 5% since 1999-2000.

2. Indian petrochemical industry has made rapid strides in terms of both production and consumption. No major capacity additions took place either in polymers or in synthetic fiber industry during the years 2002-03 and 2003-04. However, there has been a growth in production of about 5% during 2002-03 over 2001-02 and the sector is expected to maintain the same growth during 2003-04 over 2002-03. The demand of these petrochemicals which increased to about 1% in the year 2002-03 over 2001-02 is expected to grow by about 5% when compared with their demand in the year 2003-04 over 2002-03.

3. The growth in the production of petrochemical products over the years has increased self-reliance and is reducing import dependency gradually. The details of production and consumption of petrochemicals during the years 2001-02, 2002-2003 and 2003-04 are indicated in table below:

PRODUCTION AND CONSUMPTION OF PETROCHEMICALS

(Figures in 000MT)

CATEGORY	2001-2002		2002-2003		2003-04 *
	Production	Consumption@	Production	Consumption@	Production Consum
Synthetic Fibre	1667 1900	1717	1755	1801	1785
Polymers	3974 4000	3827	4175	3795	4445
Elastomers	79 190	176	81	188	88

Surfactants	425 400	393	447	391	475
Performance Plastics	90 105	93	95	100	98
Total	6235 6595	6206	6553	6275	6891

Remarks:

*	-	Estimated Derived Consumption as production + Imports - Exports.
Synthetic Fibre Include PSFF	-	AF, NFY, NIY/TC, PFY, PSF, PPFY, PPSF & PSFF
Polymers include Ex.PS	-	LDPE, LLDPE, HDPE, PP, PS, PVC &
Synthetic Rubber include Rubber	-	SBR & PBR, NBR, EPDM, EVA & Butyl Rubber
Surfactants	-	LAB & EO
Performance Plastics	-	ABS, NYLON-6, & 66, PMMA & SAN

2.0 ASSAM GAS CRACKER PROJECT

2.1 Assam Gas cracker Project is being implemented as part of Assam Accord to give boost to the developmental activities in Assam. The Assam Industrial Development Corporation (AIDC), a State Government Undertaking, was issued Letter of Intent for setting up of a Gas Cracker of 3 lakh TPA Ethylene. The Letter of Intent was subsequently transferred to Reliance Assam Petrochemicals Ltd. (RAPL), a joint venture between AIDC and Reliance Industries Ltd. (RIL). With a view to make Gas Cracker Project

a viable commercial proposition, the Central Government has approved inter-alia, the following special incentives/concessions:

*Provision of Rs. 377 crore as one time capital subsidy.

*Provision of Associated Gas for the project at a price of Rs. 600 per thousand standard cubic meters for production of 2 lakh tonnes of ethylene for a period of 15 years.

*Infrastructure subsidy (Rs. 72 crore) to be paid to M/s. Oil India Ltd. for expenditure pertaining to Duliajan Gas Separation Plant.

*GAIL Gas Separation Plant under implementation at Lakwa to be transferred to the project at a price to be determined by an independent agency (Tariff Commission).

2.2 For the implementation of the project there are two critical issues viz. acquisition of land and signing of Gas Supply Agreement between RAPL and OIL/ONGC. Department of Chemicals & Petrochemicals has been periodically reviewing the resolution of these critical issues. The State Government has identified 1100 acres of land at Lapetkata for setting up the above project and it does not envisage any problem in making available the required land for the project to RAPL.

2.3 As regards the Gas Supply Agreement, RAPL signed the Agreement with OIL on 19th October, 2000 for the supply of 5 Metric Million Standard Cubic Metre Per Day (MMSCMD) of gas, which is considered adequate for production of 1,30,000 tons p.a. of Ethylene. The remaining gas was to be supplied by ONGC. ONGC agreed to make available 1.35 MMSCMD of Gas.

2.4 However, due to declining quality of Gas from ONGC, this was found to be adequate for 28000 tpa of Ethylene for the first five years and 15,000 tpa for the remaining period of ten years. RAPL felt that a project below two lakhs tonnes of ethylene would not be viable and they insisted on adequate gas for production of two lakh tonnes of ethylene. Since no more gas was available the Ministry of P & NG considered the matter further and agreed to supply LPG through the Indian Oil Corporation (IOC) to make up for the short fall in the supply of Gas. Substantial funds are required for giving subsidy to the Oil companies to supply the feedstock at concessional rate gas for a period of 15 years as approved by the Government. The funding of the subsidy involved in the supply of Gas / LPG now needs to be resolved.

2.5 Even if the issue of feedstock supply is finalized, it is expected that nearly 4 years would be required for implementation of the project. The feasibility of setting up such a Cracker complex in Assam in the changed economic scenario is also simultaneously receiving the attention of the Government.

D. CHEMICAL INDUSTRY: GROWTH STRATEGIES:

1.0 CHEMICAL INDUSTRY: INDUSTRY-GOVERNMENT PARTNERSHIP FOR GROWTH

1.1 The Department organized an interactive meeting with Industry Associations/representatives of the Chemical, Petrochemical and Pharmaceutical sectors in New Delhi on December 8, 2003. The objective of the session, which was also attended by the representatives of the concerned Central Ministries/Departments and State Governments, was to evolve growth strategies for these sectors and foster closer Government-Industry partnership.

2.0 SETTING UP OF A MEGA INTEGRATED INDUSTRIAL ESTATE FOR CHEMICAL AND PETROCHEMICAL INDUSTRY

2.1 The chemical and petrochemical industries require certain basic infrastructural facilities, including a good port, chemicals storage terminal, adequate berthing facilities, etc. At present each unit has to create specialized facilities on its own which leads to duplication of effort and investment. Therefore, the need for setting up Mega Chemical Industrial Estates (MCIE) was felt.

2.2 A feasibility report on setting up such mega chemical industrial estates is likely to cost Rs.5 crores. Department took up this issue with the Planning Commission and funds amounting to Rs.2.00 crores have been provided during the financial year 2003-2004. Draft terms of reference for conducting such a feasibility study has been finalized. Action has been initiated to select a Consultant for conducting the feasibility study for setting up the MCIE.

3.0 INDIA CHEM 2004

3.1 The Department of Chemicals and Petrochemicals in association with Federation of Indian Chamber of Commerce and Industry organized India Chem events in 2000 and 2002.

3.2 The next event India Chem. 2004 an International Exhibition and Conference on Chemicals, Petrochemicals, Pharmaceuticals and Process & Plant machinery will be organized from November 3 to 5, 2004 at NSE Complex, Mumbai. Japan has agreed to be the Partner Country for India Chem 2004. A mega buyer-seller meet covering important segments of the chemical industry is also being organized. It is an excellent platform for technology tie - up / joint ventures etc.

III. Bhopal Gas Leak Disaster

1.0 Following the leakage of the lethal gas known as Methyl Iso-Cyanate (MIC) stored in the storage tanks of Union Carbide factory at Bhopal in December 1984, causing death and injury to a large number of people of the Bhopal city, various relief and rehabilitation measures were undertaken by the State and the Central Government.

2.0 Action Plan for the Rehabilitation of Bhopal Gas Victims

2.1 The Central Government had provided financial assistance to the extent of Rs.102 crore over a period of 4 years from 1985 for rehabilitation work. Subsequently, the Central Government approved an Action Plan with an outlay of Rs.163.10 crore for medical, economic, social and environmental rehabilitation of the victims. Later on the outlay was revised to Rs.258 crore. This outlay was to be shared between the Central Government and the State Government of Madhya Pradesh in the ratio of 75:25. The Central Government has released its share of 75% of the outlay. It has been decided that for subsequent maintenance and recurring expenditure in respect of all the schemes under the Action Plan, the State Government would make appropriate provision in its Annual Plan.

3.0 Specialty Hospital at Bhopal

3.1 The Supreme Court, vide its order dated 3.10.1991, directed that the Union Carbide Corporation (UCC) should fund the construction and functioning of a hospital for the Bhopal Gas Victims for a period of eight years. The company agreed to do so if they were allowed to raise funds by

sale of shares of Union Carbide India Limited (UCIL) held by them, which were attached by the trial court in the criminal case against the company. Acceding to the request, the Supreme Court directed the sale of shares and released Rs.65 crore from the proceeds thereof to the company for the purpose. The Government of India made available Rs.57 crore which were recovered as capital gains tax on the sale of company's shares and the dividend on the shares under attachment. The State Government made available 52.34 acres of land free of cost and subsequently made available additional 28.45 acres of private land. The Supreme Court, in April 1996, released a further amount of Rs.187 crore plus interest, from the attached amount, for setting up of additional facilities viz., Cardio Thoracic Surgery Unit, Research-cum-Teaching Center and setting up of upto 10 Mini Units.

3.2 As per the directions of the Supreme Court, a new Trust named the 'Bhopal Memorial Hospital Trust' has been set up under the Chairmanship of retired Chief Justice Shri A.M. Ahmadi in August 1998 to oversee the construction and management of the Specialty Hospital. Bhopal Memorial Hospital and Research Centre was inaugurated on 5th September 2002.

4.0 Adjudication of Compensation Claims

4.1 The process of adjudication of claims for payment of compensation to the victims of the disaster commenced in February 1992. The actual disbursement of money could be started only in October 1992 when the compensation amount that had been deposited by the Union Carbide India Ltd. with the Reserve Bank of India under the orders of the Supreme Court was transferred to the Welfare Commissioner for adjudicating the claims.

4.2 To give an opportunity to those persons who might not have filed their claims even during the five years period that was allowed for filing of claim applications, a notification under Section 4(1) of the Bhopal Gas Leak Disaster (Registration and Processing of Claims) Scheme, 1985 was issued on 2.12.1996. The total number of claims including those filed in response to notification dated 2.12.1996 is 10,29,515 and all of them have been decided up to 31.12.2003.

4.3 With a view to finalize all the claim cases expeditiously and effectively, a notification amending the earlier procedure was issued on 5.2.2000 which laid down the period of limitation of 60 days from 1.3.2000 for allowing the claimants to make application for restoration of their cases which were

rejected by default or due to non appearance of parties. This notification was challenged in the Supreme Court. The Supreme Court directed the office of Welfare Commissioner to publish the list of all those cases in a local newspaper, which were earlier, dismissed by default or due to non-appearance of parties. A list of about 3.50 lakhs such cases was published in a Hindi newspaper in Bhopal. They were given 60 days time to restore their cases. As a result, more than 42,000 cases were restored.

4.4 The position of adjudication of compensation claims as on 31.12.2003 is as follows:

SETTLEMENT OF COMPENSATION CLAIMS AS ON 31.12.2003

01(Injury)	10,01,723	10,01,723	5,55,018	Nil	1447.90	1444.63	5,53,306
02 (Loss of Livestock)	658	642	233	Nil	0.11	0.07	140
03 (Loss of Property)	4,901	4,901	544	Nil	0.14	0.12	490
04 (Death)	22,149	22,149	15,256	Nil	87.81	87.36	14,982
05 (PSU Cases)	84	84	07	Nil	0.04	0.02	04
Total	10,29,515	10,29,515	5,71,058	Nil	1536.00	1532.20	5,68,922

IV. PUBLIC SECTOR PERFORMANCE

A DRUGS AND PHARMACEUTICAL UNDERTAKINGS

There are five Central Public Sector Undertakings and six Joint Sector Undertakings in the Pharmaceuticals Industry Sector under the administrative control of the Department of Chemicals & Petrochemicals. Besides, there are two wholly owned subsidiaries. The brief profile of these organizations is given in the subsequent paragraphs.

1.0 Indian Drugs & Pharmaceuticals Limited (IDPL)

1.1 Indian Drugs & Pharmaceuticals Limited (IDPL) was incorporated on the 5th April, 1961 with the primary objective of creating self sufficiency in essential life saving drugs and medicines. The company has presently three manufacturing plants, one each at Rishikesh in Uttranchal, Hyderabad in

Andhra Pradesh and Gurgaon in Haryana. IDPL, has two wholly owned subsidiaries, namely, IDPL (Tamil Nadu) Ltd., Chennai in Tamil Nadu and Bihar Drugs & Organic Chemicals Ltd., at Muzaffarpur, Bihar. In addition, IDPL has three joint sector undertakings, promoted in collaboration with the respective State Governments. These are Rajasthan Drugs and Pharmaceuticals Limited (RDPL), Jaipur, Uttar Pradesh Drugs & Pharmaceuticals Limited. (UPDPL), Lucknow and Orissa Drugs & Chemicals Ltd. (ODCL) Bhubaneshwar.

1.2 IDPL was formally declared sick by the Board for Industrial & Financial Reconstruction (BIFR) on the 12th August 1992. A revival package for the company was approved by BIFR on the 10th February 1994. BIFR heard the case from time to time.

1.3 On 8th March 2001, BIFR issued a show cause notice to all the parties concerned for winding up of the IDPL. The Government intimated the BIFR that Government intended to provide the following concessions/facilities for cleaning up of the balance sheet of the company to facilitate its privatization through induction of strategic partners:

*Conversion of Government loan into equity

*Waiver of interest/penal interest and guarantee fee by Government of India

*Payments of outstanding statutory dues and funding of VRS.

1.4 Accordingly, BIFR directed the Operating Agency (IDBI) inviting proposals for privatization of all the units of IDPL and later all the units including two wholly owned subsidiaries.

1.5 Government has also offered Voluntary Retirement Scheme (VRS) in IDPL in consultation with the Department of Public Enterprises and Finance Ministry. As a result out of a total of 6592 employees (inclusive of both wholly-owned subsidiaries) as on 31.12.2002, 6531 employees responded to the VRS. Government has released Rs.441 crore till now for this purpose and IDPL has separated 5890 employees so far (as on 31.10.2003). At present, IDPL is left with 702 employees.

1.6 BIFR in its meeting held on 4.12.2003 confirmed its prima-facie opinion that it would be just equitable and in public interest if the sick company IDPL was wound up in terms of Section 20(1) of the Act.

1.7 Pending a decision on the future of the company through the BIFR, Government has been assisting the company in meeting its liability towards salary/wages to the employees through release of non-plan funds.

2.0 HINDUSTAN ANTIBIOTICS LIMITED (HAL)

2.1 Hindustan Antibiotics Ltd. (HAL), Pimpri, Pune was incorporated on 30th March 1954. This was the first Public Sector company in drugs and pharmaceuticals. HAL plant is located at Pimpri, Pune in Maharashtra. There are three joint sector units promoted by HAL in collaboration with the respective State Government's financial/industrial organization besides a joint sector enterprise, namely, HMGB, a venture formed with a private sector company, called Max GB. These are Karnataka Antibiotics & Pharmaceuticals Limited (KAPL) at Bangalore in Karnataka, Maharashtra Antibiotics & Pharmaceuticals Ltd. (MAPL) at Nagpur in Maharashtra and Manipur State Drugs & Pharmaceuticals Limited (MSDPL) at Imphal, in Manipur. The main products of HAL are bulk drug Penicillin-G, various salts of Penicillin and Streptomycin. The company produces a wide range of Pharmaceutical formulations including agro-vet products.

2.2 The company was referred to the BIFR in January 1997 and was formally declared sick on 31.3.1997. The BIFR appointed the Industrial Development Bank of India (IDBI), Mumbai as the Operating Agency for a techno-economic viability study and report. BIFR heard the case from time to time. After due consideration, the Government in March, 2002, communicated to the BIFR that it was not in a position to submit a fully tied up proposal for rehabilitation of the company and that the Government was agreeable for a change in management of the company and would be willing to consider a financial restructuring package without infusion of additional funds along with and as part of disinvestment to a strategic partner.

2.3 The BIFR issued a Public Show Cause Notice dated September 5, 2003, about winding up of M/s. Hindustan Antibiotics Limited (HAL), which appeared in National Dailies on September 14, 2003. The Operating Agency (IDBI) convened a Joint Meeting of all the Stakeholders. Another Meeting was convened by the Operating Agency (IDBI) on November 24, 2003. The case was last heard by the BIFR on December 18 2003. The Board decided to hold the Show Cause Notice in abeyance and granted further time to the Company and the other bidders to submit their comprehensive and fully tied up revival proposal to the OA (IDBI).

3.0 BENGAL CHEMICALS & PHARMACEUTICALS LIMITED (BCPL)

3.1 BCPL was a sick company in the private sector in the name and style of Bengal Chemicals & Pharmaceuticals Works. The management of the company was taken over by the Central Government with effect from 15th December, 1977. It was nationalised from 15th December 1980. A new public sector company in the name and style of Bengal Chemicals & Pharmaceuticals Limited (BCPL) was incorporated on the 17th March 1981.

3.2 The company has four manufacturing units one each at Manicktolla at Kolkata, Panihati at 24 Parganas (North), (West Bengal), one at Mumbai (Maharashtra) and the fourth one at Kanpur (UP). The company manufactures and markets a wide range of industrial chemicals Sulphuric Acid, Ferric Alum, a large number of drugs and pharmaceuticals besides cosmetics and home Products. In the home products, the well-known products are Cantharidine hair oil and Lamp brand Phenol.

3.3 The company was formally declared sick by the Board for Industrial and Financial Reconstruction (BIFR) on the 14th January 1993. A revival package based on the report of the Operating Agency IRBI now IIBI was approved by the BIFR on the 4th April, 1995. The revival period was for ten years beginning 1994-95. The company could achieve a consistent growth of about 20% in the years 1994-95 to 1996-97. The net losses per annum are also coming down significantly. The Company was also able to finalise the sale of surplus land of 8 acres to the Coast Guard Organisation of the Ministry of Defence and raised Rs. 15.68 crore in 1995-96. As per the sanctioned scheme, the outstanding old dues of IRBI (now IIBI) and United Bank of India have been paid out of the sale proceeds of the surplus land. The company obtained WHO GMP (World Health Organization - Good Manufacturing Practice) and obtained ISO 9002 License for manufacture of tablets and capsules.

3.4 A review meeting by the Operating Agency was taken on the 4th October 2002, in Kolkata to consider the further revised Rehabilitation Scheme submitted by BCPL. The Government has since conveyed its approval to BIFR in December 2002, to the reliefs and concessions sought in the modified revised rehabilitation scheme. The matter was heard by the BIFR from time to time. In its last hearing on January 14, 2004 the Board

approved certain modifications to the sanctioned scheme of April 19, 1995. The Board had concluded that future operations would generate surplus and BCPL would not depend on funds from any outside agency.

4.0 BENGAL IMMUNITY LIMITED (BIL)

4.1 BIL was a sick company in the private sector in the name and style of Bengal Immunity Company Limited. The management of the company was taken over by the Central Government with effect from 18th May, 1978. It was nationalised w.e.f. 1st October 1984. A new public sector company in the name and style of Bengal Immunity Limited was incorporated on 1st October 1984. The company has two manufacturing units, one each at Baranagar at Kolkata (West Bengal) and at Dehradun (Uttanchal).

4.2 Board of Industrial and Financial Reconstruction (BIFR) formally declared the company sick on the 9th March 1993. BIFR heard the case from time to time. BIFR held its last hearing on 13th September 2002 and formed its prima-facie opinion to wind up the company. The opinion was confirmed by BIFR in its hearing held on 25th February, 2003.

4.3 It had been decided to introduce Voluntary Separation Scheme(VSS) in the company and to close its operations. Accordingly all the employees have been relieved under V.S.S.

5.0 SMITH STANISTREET PHARMACEUTICALS LIMITED (SSPL)

5.1 It was a sick company in the private sector in the name and style of Smith Stanistreet Company Limited. The management of the company was taken over by the Central Government with effect from 4th May 1972. It was nationalised on 1st October 1977 and a new public sector company in the name and style of Smith Stanistreet Pharmaceuticals Ltd. (SSPL) was incorporated on the 19th July 1978. The company has its registered office at 18, Convent Road, Kolkata (West Bengal).

5.2 The company was formally declared sick by the Board for Industrial and Financial Reconstruction (BIFR) on the 21st December, 1992. The BIFR approved a revival package on the 31st August 1994 for a period of ten years beginning from 1994-95. The same was declared as having failed during the hearing of October 17, 2000.

5.3 The BIFR heard the case on the 3rd December 2001 and confirmed its prima facie opinion that it was just, equitable and in public interest that the company should be wound up. This opinion has since been forwarded to the Hon'ble High Court of Calcutta. It had been decided to introduce V.S.S. in the company and to close its operations. Accordingly all the employees have been relieved under V.S.S.

5.4 Details of Production, Sales & Net Profit/Loss of CPSUs in Pharmaceuticals:

2002-03 Rupees in
Crore

Name of PSU Profit/(Loss)	Production	Sales	Net
IDPL	3.00	2.95	(2.79)
HAL	80.72	77.91	(0.64)
BCPL	53.63	43.01	2.11
BIL	0.58	0.59	(18.76)
SSPL	0.34	0.43	(12.89)

2003-04 (April to September, 2003)

Name of PSU Profit/(Loss)	Production	Sales	Net
IDPL	1.10	1.09	(1.24)
HAL	50.11	41.36	1.58

BCPL	25.81	21.67	0.20
BIL	0.41	0.37	(8.38)
SSPL	0.91	0.01	(5.57)

6.0 JOINT SECTOR UNDERTAKINGS

RAJASTHAN DRUGS & PHARMACEUTICALS LIMITED (RDPL)

6.1 This is a joint sector undertaking promoted by Indian Drugs & Pharmaceuticals (IDPL) and the Rajasthan Industrial Investment Corporation (RIICO). IDPL holds 51% of the equity shares and the rest is with RIICO. The company was incorporated in 1978 and the commercial production was commissioned in April 1981. The company has its manufacturing unit and the registered office located at V.K.I. Industrial Area, Jaipur (Rajasthan). This is a formulation unit engaged in the production of Tablets, Capsules, Liquid Orals and Injectables. This is one of the two Pharma PSUs, which is presently generating profits. The Disinvestment Commission has recommended divesting the shares of IDPL in the company if necessary alongwith the shares of RIICO and the Ministry of Disinvestment has decided to implement this recommendation.

UTTAR PRADESH DRUGS & PHARMACEUTICALS Ltd. (UPDPL)

6.2 This is a joint sector undertaking promoted by Indian Drugs and Pharmaceuticals Limited (IDPL) and the Pradeshiya Industrial Investment Corporation of Uttar Pradesh (PICUP). IDPL holds 51% of the equity shares and the rest is with PICUP. The company was incorporated in 1978 and the commercial production started in October 1979. The company has its manufacturing unit and the registered office located at Lucknow (Uttar Pradesh). The main products and pharmaceuticals formulations are in the form of Tablets, Capsules, Powders, Liquid Orals and Injectables.

6.3 The Board for Industrial and Financial Reconstruction (BIFR) formally declared the company as sick on the 30th December 1992. After prolonged and sustained efforts, a revival package for the company was sanctioned by the BIFR on the 22nd August 1995. The BIFR heard the case from time to time. On the other hand, the Government of India interacted with the UP

Government for finalising proposals for revival of the company. On May 7, 2002, Government communicated to the BIFR for providing a one-time grant of Rs. 10 crore for revival of UPDPL. UPDPL is to be delinked from IDPL and equity to be taken over by PICUP simultaneously.

6.4 The Operating Agency framed a Draft Rehabilitation Scheme taking into consideration the concessions/reliefs committed by the Govt. of India and the Govt. of U.P. and this was considered by the BIFR in the hearing held in August, 2002. The BIFR sanctioned a scheme for rehabilitation of the company in the hearing. The equity holding of IDPL is to be transferred to Government of Uttar Pradesh simultaneous with release of Rs.10 crore by Govt. of India. While this Department has already released Rs.10 crore to IDPL, onward release of this fund would be possible only Govt. of U.P. takes over the entire equity holding. BIFR issued a show Cause Notice in this matter.

ORISSA DRUGS & CHEMICALS LIMITED (ODCL)

6.5 This is a joint sector undertaking promoted by Indian Drugs & Pharmaceuticals Limited (IDPL) and the Industrial Promotion and Investment Corporation of Orissa (IPICOL). IDPL holds 51% of the equity shares and the rest is with IPICOL. The company was incorporated in 1979 and commissioned fully for production from September 1983. The company has its manufacturing unit and its registered Office in Mancheshwar Industrial Area, Bhubaneshwar in the State of Orissa. The company is engaged in the manufacture of Pharmaceutical formulations in the form of Tablets, Capsules, Powders, Ointments etc.

6.6 ODCL was formally declared sick by the Board of Industrial and Financial Reconstruction (BIFR) on the 26th October 1992. On the basis of the report of the Operating Agency, appointed by the BIFR and the support extended by the promoters, the BIFR approved a revival package for ODCL on the 18th August 1994. BIFR heard the case from time to time.

6.7 The BIFR in the hearing on 18.12.2000 has declared this scheme as also a failure. The BIFR issued a show cause notice for winding up of the company in the absence of a fully tied up proposal for revival. In the hearing held on 8.7.2002, the BIFR, inter-alia, directed the O.A. to issue advertisement inviting offers for sale of the assets of the company under Section 18(2) (i) without any liability or under Section 18(ii). The

advertisement was issued by the Operating Agency (IDBI) and then a joint meeting was held on November 13, 2002.

6.8 Taking into consideration that no viable proposal has emerged for rehabilitation of the Company, BIFR in its order dated 8th April, 2003 has formed its opinion that it is in public interest that the company be wound up under the provisions of Sick Industrial Company (Special Provision) Act, 1985. A proposal of IDPL, the holding company, for introduction of VSS in the company is under consideration.

KARNATAKA ANTIBIOTICS & PHARMACEUTICALS LIMITED (KAPL)

6.9 This is a Joint Sector Undertaking promoted by Hindustan Antibiotics Limited (HAL) in collaboration with Karnataka State Industrial and Investment Development Corporation (KSIIDC). HAL holds 59% of the equity shares and the rest is with KSIIDC. The Company was incorporated on 13th March 1981 and the commercial production established from August 1984. The manufacturing units and the registered office of the company is located at Bangalore(Karnataka). The main products are pharmaceuticals formulations like tablets, Capsules, Injectables, etc.. KAPL has from the very first year of its operations been earning profits and is an MOU signing company. The Disinvestment Commission in its 18th Report has recommended that the entire equity of KAPL, if necessary, including the share of the State Government, may be disinvested to a strategic buyer. Ministry of disinvestments has accepted the recommendation.

MAHARASHTRA ANTIBIOTICS & PHARMACEUTICALS LTD (MAPL)

6.10 This is a Joint Sector Undertaking promoted by Hindustan Antibiotics Limited (HAL) and State Industries Corporation of Maharashtra (SICOM). HAL holds 52% of the equity shares, 38% is with SICOM and 10% with IDBI. The company was incorporated in November 1979, and the commercial production established in May 1981. The registered office and the factory of the company is located at Nagpur (Maharashtra).

6.11 The BIFR formally declared MAPL as sick on 14.1.1997. BIFR heard the case from time to time. In the hearing held on 04.07.2000, BIFR formed opinion for winding up of the company under Section 20(1) of the

SICA, 1985. Government of India has taken a decision to concur with the opinion of BIFR.

6.12 In accordance with the direction of the Nagpur Bench of the High Court of Mumbai, Government had introduced VSS in MAPL and also for moving for closure of the company under I.D. Act. Accordingly VSS has been introduced in MAPL and majority of employees have been released.

MANIPUR STATE DRUGS & PHARMACEUTICALS LIMITED (MSDPL)

6.13 This is a joint sector undertaking promoted by Hindustan Antibiotics Limited (HAL) and in collaboration with Manipur Industrial Development Corporation (MANIDO). HAL holds 51% of the equity shares and the rest is with MANIDO. The company was incorporated on the 18th July 1989. The manufacturing unit and the registered office are at Imphal (Manipur).

6.14 Due to time and cost overruns, the project could not be completed. It was decided in August 1997, that a professional consultant's report, may be obtained to identify the requirements for making the project viable. The final report of the consultant, M/s. Business Horizon, was received in May 1999.

6.15 The matter was referred to the Government of Manipur in August 2000, for eliciting their comments on the viability of MSDPL. Based on the reports, the Government of Manipur have proposed closure of MSDPL after separation of employees with retrenchment benefits under the Industrial Disputes Act/Workmen's Compensation Act. Matter is under consideration.

7.0 WHOLLY OWNED SUBSIDIARIES: IDPL (TAMIL NADU) LIMITED, CHENNAI

7.1 In terms of the revival package approved by BIFR in 1994 in the case of IDPL, the Surgical and Formulation Unit of IDPL at Chennai was converted into a wholly owned subsidiary in the name and style of IDPL (Tamil Nadu) Limited, Chennai with effect from the 1st April, 1994. IDPL holds the entire equity capital of this unit. The past long-term liabilities amounting to Rs. 59 crore as on 31.3.1994 have been taken over by IDPL.

BIHAR DRUGS & ORGANIC CHEMICALS LIMITED, MUZAFFARPUR.

7.2 Like IDPL (TN) Ltd., in terms of the revival package approved by the Board for Industrial & Financial Reconstruction (BIFR), the Organic Chemicals and Drug Manufacturing unit of IDPL at Muzaffarpur (Bihar), was converted into a wholly owned subsidiary in the name and style of Bihar Drugs & Organic Chemicals Limited, Muzaffarpur with effect from the 1st April, 1994. IDPL holds the entire equity capital of this Unit. The past long-term liabilities amounting to Rs.36 crore as on 31.3.1994 have been taken over by IDPL.

B. CHEMICALS & PESTICIDES UNDERTAKINGS

1.0 HINDUSTAN INSECTICIDES LIMITED

1.1 Hindustan Insecticides Limited (HIL) was incorporated in 1954 and set up its factory in Delhi for manufacturing 1400MT of DDT formulation (50% WDP) to meet the demand of National Malaria Eradication Programme (NMEP) launched by the Government of India. This plant came as a gift from WHO and went into production in April, 1955. The production capacity of this unit was doubled in the year 1958-59 and thereafter, to 5488 MT per annum in 1969. In 1957, the company set up their second factory at Udyogamandal near Cochin for the manufacture of 2688 MT per annum of DDT formulations. In 1971 a plant was put up for the manufacture of Benzene hexachloride (BHC) having capacity of 3000 MT per annum to meet the requirement of agriculture and public health. The company set up, in 1977, a plant at Rasayani in Maharashtra for the manufacture of 1800 MT per annum of Technical Malathion and 3200 MT per annum of Malathion (formulation), an insecticide used in public health. Further, another DDT plant with an annual capacity of 10,000 MT of DDT formulation was set up at Rasayani in 1983.

1.2 With a view to diversify into Agro Pesticides, HIL put up manufacturing facilities for Endosulfan Technical-1600 MT and its formulation 1910 KL at Udyogamandal. Further, a plant for manufacture of 150 MT per annum of Dicofol Technical at Udyogamandal Unit was commissioned in July, 1996. This apart, Plant for manufacturing of Mancozeb formulation with 1000 TPA capacity was commissioned during 2002-03.

1.3 Production facilities for Butachlor Technical 1000MT, Butachlor formulation 905KL and Monocrotophos Technical 300MT Monocrotophos Formulation 255KL were also put at Rasayani during 1990-91.

1.4 The Company has a well-equipped Central R&D Complex at Udyog Vihar, Gurgaon along with an experimental farm. The Company has also added several agro-pesticides formulations to its product-range during the last few years like Diflubenzuron, Ethion, Carbendazim, Streptocycline, Imidachlorpid, Cartap Hydrochloride, Phorate, Alphamethrin & Metribuzin etc.

1.5 As a part of the diversification plan, the company has entered into an agreement with M/s. International Panacea Limited, New Delhi to market their Liquid Bio Fertilizers and Bio -pesticides through HIL's dealers net work and has achieved a turn over of Rs.10 crores in the first year i.e. 2002-03.

1.6 The main objective of the company is to provide quality insecticides and pesticides at fair prices and earn reasonable return.

1.7 Performance of HIL

Year	Production(MT)	Sales Turnover	Net profit/loss
1998-1999	15705	13219	(-)558.07
1999-2000	16539	12396	(-)1408.00
2000-2001	14795	12049	(-)1545.00
2001-2002	15681	11476	(-)1541.00
2002-2003	14823	14539	(-)1547.86

The decline in operating results is primarily due to the continued burden on the company on account of expenditure by way of payment of idle wages and other establishment including expenses of Delhi Unit till 2002-03.

2.0 SHIFTING / CLOSURE OF DELHI FACTORY OF HIL.

2.1 The Hon'ble Supreme Court, vide its Order dated 08.07.96, in a Writ Petition, directed closure/re-location of Delhi Factory w.e.f. 30.11.96. The Company has put up a formulation plant for granules, liquid and solid formulations in Bathinda, Punjab as relocation of Delhi factory operations

which was inaugurated by Hon'ble Minister for Chemicals & Fertilizers on 5.4.2003.

3.0 HINDUSTAN ORGANIC CHEMICALS LIMITED

3.1 Hindustan Organic Chemicals Limited (HOCL) was incorporated on the 12th December 1960 for setting up manufacturing capacities for chemicals/intermediates, which are required for production of Dyes, Dye-intermediates, Rubber Chemicals, Pesticides, Drugs and Pharmaceuticals, Laminates etc. It was expected that indigenous manufacture of these chemicals and intermediates will give impetus to downstream industry resulting in setting up of chemical units and achieving self-sufficiency for the country in this area. The objective behind setting up of HOCL has been achieved since at present more than 500 units based on HOCL's products have been set up all over the country which have not only helped in achieving self-sufficiency but have also entered the international market earning precious foreign exchange by exporting chemicals, dyes and drugs for over a number of years.

3.2 The products manufactured by HOCL include Phenol, Acetone, Formaldehyde, Nitrobenzene, Aniline, Nitrotoluene, Chlorobenzene, Nitrochlorobenzene and Hydrogen Peroxide. The raw materials used by HOCL are Benzene, Toluene, LPG, Methanol, Naphtha and Sulphur, the majority of which come from Petroleum Refineries.

3.3 HOCL has two units, one at Rasayani (Maharashtra) and the other at Kochi (Kerala). It also has a subsidiary company, M/s Hindustan Fluorocarbons Limited located at Rudraram (Andhra Pradesh) for manufacture of Poly-tetra-fluoro-ethylene (PTFE), a high-technology engineering plastic.

3.4 HOCL Kochi Unit, which had been classified as a major accident hazard (MAH) unit, has maintained a very good safety performance record since the commissioning of the unit in 1987. Because of the concerted efforts on the part of the Company, the Company could achieve a zero accident level continuously for many years. Kochi Unit has continuously been receiving Safety Awards from the National Safety Council (Kerala Chapter) for the last 13 years. Kochi Unit also received "Yogyata Praman Patra" from National Safety Council of India in recognition of the organisation's commendable achievement in safety performance. The Company is a signatory to "Responsible Care" management and is committed to safe operation and health of people in line with their corporate philosophy.

3.5 As on 31.3.2003, the Company's authorised and paid-up capital was Rs.70.00 crore and Rs.67.27 crore respectively.

3.6 The following are the details of physical and financial performance of the Company for the last five years.

Year	Production (MT)	Turnover	Net
Profit/Loss		(Rs. Crores)	(Rs. Crores)
1998-99	340713	416.53	(-) 23.07
1999-2000	323203	421.18	(-) 105.02
2000-01	231972	407.86	(-) 39.06
2001-02	200810	301.04	(-) 62.68
2002-03	278399	467.21	(-) 43.12

3.7 The Kochi Unit of the Company, as in the past did exceedingly well during the year by maintaining good levels of production and profitability. Rasayani Unit also achieved the desired levels of capacity utilisation. Cost reduction measures implemented during the year have yielded further savings and the improved trend is likely to be achieved on sustained basis during the current year as well.

3.8 The production and sales during the year had witnessed substantial increases over previous year. As against the production of 200810 MTs achieved during 2001-02, the Company achieved production of 278399 MTs during the year 2002-03. Sales volumewise as well as valuwisewise registered substantial increases at 147094 MTs and Rs.400.04 crores (Net of Excise Duty) as against 113769 MTs and Rs.273.57 crores achieved in the year 2001-02 respectively.

3.9 The Company maintained the health of the Chemical Plants intact by utilising the budgetary support received from the Government of Rs.9.10 crores during the year 2002-03.

C. PETROCHEMICALS UNDERTAKINGS/ORGANISATIONS

1.0 Indian Petrochemicals Corporation Ltd. (IPCL)

1.1 As a part of the process of disinvestments by the Government in non-core sector companies, the Government disinvested 26% equity of IPCL on 4.6.2002. M/s. Reliance Petro investments Limited was selected as the Strategic Partner on disinvestment. The Share Purchase Agreement was signed on 21.5.2002 and the final Shareholders' Agreement and other agreements, namely Guarantee Agreement and Transfer Restriction Agreement were signed on 4.6.2002. After disinvestment, IPCL ceased to be a PSU under the Central Government.

1.2 Before disinvestment, the Government held Rs.14.88 crore shares of Rs.10/- each of IPCL, which amounted to 59.95% of the paid-up equity of the company. On disinvestment, 6,45,38,662 shares representing 26% of the equity were disinvested. After disinvestment, the Government still holds 8,42,61,338 shares of IPCL, which amount to 33.95% of the equity. The Government received an amount of about Rs.1490.84 crores on sale of 6,45,38,662 shares (26%) at the rate of Rs.231 per share. After take over by the Strategic Partner, namely Reliance Petro Investments Ltd., the Board of Directors of IPCL has been reconstituted by the Strategic Partner as per the provisions of the Shareholders' Agreement and the company is now managed by the Strategic Partner, i.e. Reliance Petro Investments Limited. Government of India has nominated/appointed two Directors on the Board of IPCL as per the provisions of Shareholders' Agreement.

2.0 Petrofils Cooperative Limited (PCL)

2.1 Petrofils Cooperative Limited (PCL) was registered in 1974 as a joint venture of Government of India and Weavers Cooperatives. The principal objective of PCL was to provide the benefits of modern technology of Polyester Filament Yarn (PFY) to the weavers in the cooperative sector, a weaker section of the society. Besides Government of India and NCDC, PCL has 1446 Weavers Cooperative Societies from all over the country as its members.

2.2 The authorized capital of PCL was Rs.50 crore of which the paid-up capital was Rs.20.39 crore. Government holding in PCL was Rs.17.17 crore, which was 84% of the paid up capital.

2.3 Since the Society started incurring losses from 1994-95 and the proposal for its revival was not found to be economically viable, the Government decided in favour of winding up of the Society. A Liquidator was

appointed by the Central Registrar of the Cooperative Societies on 11.4.2002 to complete the process of winding up. The Liquidator has been taking action for the winding up of the Society.

2.4 The disposal of properties/assets of PCL has been stayed by the Debt Recovery Tribunal in April 2001 on application filed by the Financial Institutions/Banks. Without vacation of this stay the Liquidator is not in a position to proceed further in the matter of Liquidation of PCL.

V: INSTITUTES

A. Institute of Pesticide Formulation Technology (IPFT)

1.0 Institute of Pesticide Formulation Technology (IPFT) is an autonomous Society set up by the Government of India with the assistance of UNDP / UNIDO in May 1991 at Gurgaon. The objective of the Institute is to promote advancement of Pesticide Formulation Technology in India. The Institute is actively engaged in the areas of development of new, safer and environment-friendly pesticide formulations, promotion and transfer of such technology to the industrial sector etc. IPFT has succeeded in developing many new generation pesticide formulations namely, Suspension Concentrates (SC), Water Dispersible Granules (WG), Concentrated Emulsions (CE), Capsulated Suspensions having controlled released characteristics (CS), Ultra Low Volume Formulations (ULV), Micro-Emulsions (ME) and certain prescription formulations specifically designed to suit the need of the users, using indigenous available raw material. These technologies are being transferred to the Indian pesticide industry through contract project for large-scale production and usage in the field. The Institute has also succeeded in developing a novel self-spreading oil-based formulation for bio-pesticides namely *Bacillus thuringiensis* and *B. sphaericus*. The Institute is constantly updating its technological capabilities so as to remain in the forefront and provide the Indian industry with the latest pesticide formulation technologies. The Institute is equipped with a Formulation Laboratory, an Analytical Laboratory, a Bio-science Laboratory and a Pilot Plant to meet the requirement of industry for research and development of formulation technology. During the year the Institute has been able to get sponsored Research Projects from Department of Science & Technology (DST), Central Pollution Control Board (CPCB), Department of Bio-Technology (DBT) and has been able to get an international project from M/s Kraft Food, USA.

1.1 The Institute is one of the Technical Coordinator Units of the Regional Network on Pesticide Production and Information for Asia and Pacific (RENPAAP) of the UNDP / UNIDO, in the field of pesticide formulation technology development and quality assurance.

B. CENTRAL INSTITUTE OF PLASTICS ENGINEERING & TECHNOLOGY (CIPET)

1.0. INTRODUCTION

1.1 The Central Institute of Plastic Engineering & Technology (CIPET) was established in the year 1968 as an Autonomous Organization under the administrative control of the Department of Chemicals & Petrochemicals. The basic objective of CIPET is to train students in various disciplines of plastics such as mould making, mould design, testing and characterization of plastics, plastic processing etc. for the plastic industry. The institute is also organizing various short term courses, tailor made courses, awareness programmes and entrepreneurs development programmes, etc. in the field of plastics at various centers located at Ahmedabad, Amritsar, Bhubaneswar, Bhopal, Chennai, Guwahati, Hyderabad, Haldia, Imphal, Lucknow, Patna and Mysore.

Target/Achievement of various courses

1.2 The institute has enrolled 2366 students in different long term courses during 2002-2003. In addition, 288 short-term courses were also conducted benefiting 2592 participants during 2002-03. Besides, 56 tailor-made courses benefiting 542 participants and 33 inplant/vocational courses benefiting 575 participants were also organized during 2002-2003. For the year 2003-04, 3039 students have been admitted for long-term courses. From April to September 2003, 153 short term courses benefiting 1237 participants have been conducted. Similarly, 17 tailor made/modular courses benefiting 143 participants have also been conducted from April to September 2003. 21 inplant/vocational courses with 425 participants were also conducted during this period.

THRUST AREAS/SPECIALISATION

1.3 As there has been a substantial growth in consumption of plastics in various fields, a specific thrust area has been identified for each Centre to

enable focussed efforts for more effective contribution to the plastic industry as follows:

1.4 CENTRES: THRUST AREA/SPECIALISATION

Chennai:	Standardisation, quality control and Testing of Plastics material & products.
Ahmedabad:	Plastics Testing & Processing Machinery Development.
Bhopal:	Application of Plastics in Agriculture
Bhubaneswar:	Application of Plastics in housing & Packaging
Hyderabad:	Application and Development of engineering Plastics
Imphal:	Application of Plastics in Water Management and Household Appliances
Lucknow:	Application of Plastics in Teletronics and Automobiles
Mysore:	Plastics in Precision engineering

EMPLOYMENT OF CIPET STUDENTS

1.5 With the advent of Engineering, speciality and high performance Plastics, Blends, alloys and composites, the application spectrum has widened in the fields of Automobiles, Agriculture, Aerospace, Defence Packaging, Medicare, Teletronics, Buildings, etc. To produce quality product with techno-economic competitiveness, skilled technical manpower is required and CIPET is playing a vital role in training manpower in the areas. It is estimated that around 45% of CIPET's qualified graduates are working as Supervisors, 35% as Managers, 10% as Technicians and around 10% have successfully started their own industries. CIPET trainees are very well recognized by the industry for placement at different levels in India as well as other neighbouring countries such as UAE, Singapore, Malaysia, and Saudi Arabia. In recent years, demand for CIPET trained candidates in Europe, North America and Australia is also increasing.

TESTING & OTHER SERVICES

1.6 CIPET has undertaken number of technical/developmental programmes including testing and consultancy services to the industries. M/s. Bureau Veritas Quality International (BVQI) have accorded Certificate of approval to CIPET and awarded ISO 9001: 2000 Certificate in January 2002 for training and technical services.

RECOGNITION OF CIPET

1.7 The Plastic Testing Centres of CIPET are recognized by the following institutions/organizations:

Bureau of Indian Standards

Department of Family welfare, Government of India

Department of science & Technology, Government of India

Department of Public Enterprises,

Various State Government Departments for quality assurance

DGFT, Department of Customs & Excise for grade analysis, quality checks of imported plastics materials/products.

Food Corporation of India (FCI) for testing of Tarpaulins, Woven Plastic bags, laminated sheets etc.

RDSO, Ministry of Railways, Government of India

Telecom engineering Centre (TEC), Department of Telecommunication, Government of India

Agro Industries Development Corporations of various State Governments.

Plastics Testing Centre at CIPET Chennai, Bhubaneswar, Bhopal, Lucknow and Mysore centers have no NABL Accreditation.

DEVELOPMENT PROJECTS

1.8 There are number of developmental/investigating research projects undertaken by CIPET which have industrial relevance. CIPET is well equipped with sophisticated equipments and manpower to undertake such projects. A Business development Cell established in the CIPET Corporate Office is interacting with UAE, Philippines, Bahrain, Malaysia, Sri Lanka, Saudi Arabia, Nigeria for training of students.

INTERNATIONAL ASSISTANCE

1.9 A proposal for availing of OPEC Loan of US \$12.30 million along with Government of India's counter-part expenditure of US \$ 1.37 million for the Capacity Building of CIPET Centres for Development in thrust Areas is under consideration of the Government of India.

C. NATIONAL INSTITUTE OF PHARMACEUTICAL EDUCATION AND RESEARCH

1.0 The National Institute of Pharmaceutical Education and Research (NIPER) has been set up at a cost of Rs.99 crore at Mohali (Punjab), as a part of the economic package for the State of Punjab. The Institute is located in Sector 67, SAS Nagar, Mohali near Chandigarh on a plot of 130 acres of land provided free of cost by the Government of Punjab.

1.1 NIPER has been conceived as a mother Institution to set standards of excellence for Pharmaceutical colleges and for research and development in the field of Pharmaceutical. The setting up of NIPER fulfils a demand of several decades by the Indian Pharmaceutical Industry and profession. It is the first national level institute in India in the field of pharmaceutical sciences and has been declared as an Institute of National Importance by an Act of Parliament on 26.6.98.

1.2 The Institute is conducting masters and doctoral programmes in nine disciplines and is helping the Indian Pharmaceutical Industry in solving their R &D related problems. NIPER also conducts regular programmes for academia and Industry in various disciplines. Since the inception of academic programme 142 Masters and 24 Doctoral Students have graduated from this Institute.

1.3 On 29th of September 2003 the second convocation of the Institute was held where 80 masters degrees and 24 Ph.D degrees were awarded to the eligible students. His Excellency the President of India and the visitor of the Institute Dr. A.P.J.Abdul Kalam was the Chief Guest. On the same day, the President also inaugurated the state-of-the art Technology Development Centre (TDC), which has been set up by the Institute.

1.4 With financial assistance from the Department of Science and Technology, Government of India, the Institute has established a Bio-availability center which is one of the two centers in the world approved by the World Health Organization (WHO) for conducting Bio-availability studies for fixed dose combinations of anti-tubercular drugs.

1.5 As a part of the continuous education/training programme of the Institute, the Institute conducted the fifth three-week intensive course on "Modern Analytical Techniques in Quality control of Drugs and Pharmaceuticals" from 1st - 19th September 2003. This course is sponsored by the Ministry of External Affairs under the ITEC & SCAAP Programme. Altogether, 26 participants from Bhutan, Armenia, Thailand, Nigeria, Mali,

Myanmar, Afghanistan, Indonesia, Mauritius and Trinidad and Tobago attended in the programme.

1.6 The Institute has been selected as a nodal agency in the Capacity Building Project under the Government of India, Ministry of Health and Family welfare for providing training to drug regulatory personnel, analysts, and personnel from small-scale industry. The total project outlay is Rs.8.83 crore which is funded by World Bank. The Institute intends to provide training to about 2000 professionals within the next five years.

VI: GENERAL

1.0 ORGANISATIONAL SET UP OF THE DEPARTMENT

1.1 The main activities of the Department are policy making, sectoral planning promotion and development of chemicals, petrochemicals and pharmaceutical industries. The administrative and managerial control of the public sector undertakings engaged in the manufacture of various chemicals, pharmaceuticals and petrochemical items and some other organisations is a major function of the Department.

1.2 The Department is headed by Secretary to the Government of India who is assisted by 3 Joint Secretaries and one Economic Adviser. There is a separate section dealing with the work relating to Bhopal Gas Leak Disaster and the Special Act relating thereto. Government has constituted a 3 Member Committee under the Chairmanship of a retired judge of Delhi High Court to review the entire matter relating to the liabilities assessed against drug companies and furnish its recommendations to the Government on a case to case basis.

1.3 There is an attached office namely "National Pharmaceutical Pricing Authority" which looks after price fixation/revision of pharmaceuticals and other related matters. It also monitors the prices of decontrolled drugs and formulation and oversees the implementation of the provisions of the Drugs (Prices Control) Order. In addition, there are 7 public sector undertakings and 4 other organisations under the administrative control of the Department. The names of these are given in Annexure V.

2.0 EMPLOYMENT OF SCHEDULED CASTES/SCHEDULED TRIBES/PHYSICALLY HANDICAPPED IN THE MAIN SECRETARIAT OF THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

2.1 The status of employment of Scheduled Castes/Scheduled Tribes/Physically handicapped in the main Secretariat of the Department of Chemicals & Petrochemicals, as on 31.12.2003 is as under :-

Group	Total No. Physically of posts Handicapped	Scheduled		
		Castes	Tribes	
A	49	4	-	-
B	69	9	-	-
C	73	8	-	-
D	62	21	2	-
TOTAL	253	42	2	-

2.2 Posts of Group A include officers belonging to Central Secretariat Service besides officers on deputation from the All India Services, Central Services and other Departments/Undertakings. Appointment to posts in Group B and C is mostly done on the basis of nominations made by the Department of Personnel & Training.

2.3 The Department also monitors the progress of filling up the posts reserved for the members of Scheduled Castes, Scheduled Tribes and other Backward Classes in the Public Sector Undertakings under its administrative control.

3.0 GENDER EQUALITY

3.1 In compliance with the Supreme Court Judgment laying down certain guidelines to be followed for prevention of sexual harassment at work places, Department of Chemicals & Petrochemicals has constituted a Complaints Committee. Ms. Veenu Gupta, Director is the chairperson of the committee

and other members of the Committee are Shri Anurag Saxena, Deputy Secretary, Ms. Kailash Prasad, Desk officer, representing lady members from ministerial staff and Ms. Anuvinder Varkey (Titus), representing an NGO. The Committee is functional since June 2002. During 2003-04, the Committee held several meetings to look into a complaint of sexual harassment received from an officer working in an autonomous body under the Department. The Committee submitted a detailed report to the Department in the month of November 2003.

4.0 ACTIVITIES AND ACHIEVEMENTS OF THE VIGILANCE SET UP

4.1 The Department has a Chief Vigilance Officer of the rank of Joint Secretary to look into complaints against the employees of the Department as well as Board Level Officers of the Public Sector Undertakings and Organizations under its administrative control. He is assisted by a Director and an Under Secretary along with a Vigilance Section.

4.2 A number of complaints were received and investigated and appropriate actions were taken against the officials/officers concerned. Some cases have been referred to CBI for detailed investigations and for taking appropriate action against the officers concerned.

5.0 Modernization of Office

5.1 The Department of Administrative Reforms and Public Grievances had, in the year 1987-88, launched a Plan Scheme for Modernization of Government Offices with the objective of introduction of functional lay out for the office premises thereby creating open offices to facilitate better supervision and improved services to the public. Under the Scheme, the Department of Administrative and Public Grievances provides necessary funds from its budget up to 75% of the total cost of the proposal and the remaining 25% is to be borne by Department concerned from its Plan Budget.

5.2 Under the Plan Scheme for modernization of Govt. Offices launched by Department of Administrative Reforms & Public Grievances (AR&PG), this Department has already modernized six halls and two rooms. Apart from that a modernized Departmental Records Room was also set up. Modernization of computer room is underway.

5.3 With the modernization work undertaken, the following objectives of the said Scheme have been achieved successfully: -

- * Functional lay out for the office premises has been introduced.
- * Creation of open offices has facilitated better supervision and improved services to the public.

- * Efficient file management.
- * Cost effective and space efficient records management.
- * Effective utilization of space for officers and staff.
- * All the sections of the three divisions have been accommodated in separate independent halls.
- * The disposal of work has become fast and has led to quick decision making on the various matters.

6.0 Records Management

6.1 The Parliament has enacted an Act known as "The Public Records Act, 1993" to regulate the management, administration and preservation of Public Records of the Central Government, Union Territory Administrations, Public Sector Undertakings, statutory bodies and Corporations, etc. The Central Government has also made the rules to carry out the provisions of the Act. In terms of the provisions terms of the provisions contained in Section 5(1) of the Act, the Under Secretary in charge of general administration in the Department of Chemicals & Petrochemicals has been nominated as Records Officer in the Department.

7.0 USE OF HINDI IN OFFICIAL WORK

7.1 In order to ensure compliance of statutory provisions and Presidential Orders on Official Language policy of the Government in the Department and also in attached and subordinate offices under the administrative control of the Department, there is a Hindi Section under the Administration Division.

7.2 All documents like Annual Report, Performance Budget, Demand for grants, Parliament questions, assurances, Standing Committee material, C & AG Reports, Cabinet notes, updation of Departmental website etc. falling under Section 3 (3) of the Official Language Act, 1963 were issued in bilingual form and all letters received in Hindi were replied to in Hindi as per Rule 5 of the Official Language Rules, 1976. Efforts were made to progressive increase the use of Hindi in day-to-day official work as set out in the Annual Programme formulated by the Department of Official Language.

7.3 Hindi Fortnight was organized in the Department from 15th to 28th September, 2003. During the period, five competitions in Hindi Essay, Noting and Drafting, Translation, Stenography and Typing were held and officers/employees of the Department in large number participated in these competitions. Five prizes in each category were given for outstanding performances in these competitions. The message on the occasion of Hindi Diwas from the Hon'ble Deputy Prime Minister was circulated among the officers and staff of the Department.

OFFICIAL LANGUAGE IMPLEMENTATION COMMITTEE

7.4 The Department has an Official language Implementation Committee under the chairmanship of Joint Secretary and its meetings were held regularly in every quarter during the year under review. The progress made in the use of Hindi was reviewed and remedial measures were suggested and adopted for compliance.

HINDI SALAHAKAR SAMITI

7.5 The first meeting of the reconstituted Joint Hindi Salahakar Samiti of the Ministry was convened on 6th November, 2003 under the chairmanship of Hon'ble Minister for Chemicals and Fertilizers. The progress made in the use of Hindi in the Ministry as well as offices under the administrative control of the Ministry was reviewed in the meeting. Suggestions were made for increasing the use of Hindi in day-to-day work of the Ministry for implementation.

QUARTERLY PROGRESS REPORTS/ANNUAL ASSESSMENT REPORT

7.6 Quarterly Progress Reports for each quarter during the year were compiled and sent to the Department of Official Languages for inclusion in the database. Reports received from attached and subordinate offices were reviewed.

TRAINING UNDER HINDI TEACHING SCHEME

7.7 In order to acquire proficiency/working knowledge in Hindi, officers and employees who have no such knowledge, are sent for in-service training as per programme formulated by the Hindi Teaching Scheme, Department of Official Language. Staff members are also sent for Hindi stenography and typing under the same scheme of the Government. On successful completion of such training, they are given advance annual increments and cash awards depending on their performance ratings.

CASH AWARD SCHEME

7.8 There is an annual cash award scheme under which officers/employees doing their official work in Hindi, at least 20,000 words, are required to maintain their daily work sheet for the entire year and then submit for evaluation by the screening committee. On the basis of evaluation, two employees were given cash award under this scheme.

INSPECTION BY THE COMMITTEE OF PARLIAMENT ON OFFICIAL LANGUAGE

7.9 The first sub-committee of the Committee of Parliament on Official Language visited National Institute of Pharmaceutical Education and Research (NIPER), CIPET Centre, Chennai and Bengal Chemicals and Pharmaceuticals Limited on 21st June, 2003, 10th January, 2004 and 13th January, 2004 respectively to make assessment of the official work carried out in Hindi in that office. Assurances given to the sub-committee by different offices inspected upon during the previous years as well as current year were sent after review to the Committee office. The Committee of Parliament on Official Language invited the Secretary, Chemicals and Petrochemicals along with Heads of all offices under the control of the Department for an assessment of the progress of Hindi in respective offices on 21st May 2003 in the Parliament House. In addition, the first sub-committee of the Committee of Parliament on Official Language inspected the Department on 10th September 2003 for making assessment of the progress made by the Department in the use of Hindi.

INSPECTION OF OFFICES BY THE DEPARTMENTAL INSPECTION TEAM

7.10 Efforts are made to carry out inspections of at least 20 per cent offices during a financial year. At the same time as and when inspection of an office is planned by the Parliamentary Committee, the departmental inspection team also carries out inspection of that office so that laxity, if any, observed is got rectified. Independent inspections of CIPET Extension Centres- Amritsar, Guwahati and Hajipur were carried out on 23rd June, 2003, 12th July, 2003 and 14th July 2003.

8.0 Information Technology Initiatives

8.1 Intra web portal of the department of C&PC developed, which consists of the following information:

Help Desk section consists of Telephone Directory, Email Directory, Forms related to administration/establishment, LAN related and General complaints database.

Notice Board section has been designed where online notices can be put on intra web portal. The notice contents can be read from the attached word file stored in the document server.

In the similar fashion, events and meeting information can be put under **Events/Meetings** section on this site.

Cash & Admin section contains the facility of monthly payslips of each employee.

Links to Important web site section contains the links of important web sites like Urban Development, Parliament, HOCL, NIPER etc.

E-Governance section contains the links to the Office Soft package and Payroll package.

Under **MIS Services**, in house developed softwares like Production Monitoring System has been linked.

Health Centre sections has been provided to incorporate health related articles.

A database based **Search facility** of telephone numbers, fax, intercom etc of the officers/officials has also been provided on this web portal.

Acrobat Reader and **AntiVirus** solution has also been made available to the users of this web portal.

Chemical Weapons Convention

8.2 A protocol type model for registration of Chemical Manufacturers has been designed and developed.

Production Monitoring

8.3 Queries on Production Data of Petro-Chemicals from 1995-96 to 2001-02 made available on Intra web site.

Pharmaceutical production database customized, tested and installed.

Production Monitoring System for Chemical, Petrochemical and Pharmaceuticals integrated and database redesigned.

Other usual reports like Flash, PSU Performance etc. generated on monthly basis.

8.4 Following web-based queries for all the three sectors made available on Intra web site.

Alphabetical & Code wise list of all companies and Products

List of company addresses

List of products manufactured by a specified company

List of Companies manufacturing a specified product

Monthly Production of all products company wise

Monthly Production of all companies product wise

Flash Reports of all products and selected products

Production performance of all products and selected products

Year wise production for the last four years

Export / Import Monitoring of Chemicals & Petrochemicals

8.5 Export / Import data in ASCII Format for the quarter (April'03 - June'03) was uploaded and ITC code wise summary generated.

Yearly ITC code wise Export and Import of Chemicals & Petrochemicals and Pharmaceuticals was compiled and generated.

ITC Code wise export and import
Consumption report

8.6 Upgradation of Web Site

Departmental website is operational in Hindi and English. It is regularly updated.

Management Information System

8.7 As per the instructions vide letter no. CS-8638/2003/CA-V dated 24th March 2003 of Cabinet Secretary, a report titled "Management Information System Package" got prepared.

Around 32 report formats along with periodicity and level of review were identified.

Payroll

8.8 Foxbase based Payroll data is being converted on monthly basis into SQL server

A web based pay slip-printing program developed to provided the pay slips on the intraweb portal of the department.

Office Procedure Automation

8.9 Training was provided to all the officials of the department in the usage of OPA package.

Few sections of the department are using this package extensively while others have started.

IT Plan implementation

8.10 IT plan for the financial year 2003-04 & 2004-05 is under implementation. A provision of Rs.77, 99,000 made in the IT plan to be spent over a span of two years. In the first year 42,95,000 have to be spent and Rs. 34,96,000 are to be spent in 2004-05.

ANNEXURE-I

LIST OF ITEMS ALLOTTED TO THE DEPARTMENT OF CHEMICALS & PETROCHEMICALS (RASAYAN AUR PETRO RASAYAN VIBHAG)

Drugs and Pharmaceuticals, excluding those specifically allotted to other departments.

Insecticides (excluding the administration of the Insecticides Act, 1968 (46 of 1968)

Molasses

Alcohol-industrial and potable from the molasses route.

Dye-stuffs and dye intermediates

All organic and inorganic chemicals not specifically allotted to any other Ministry or Department.

Planning, development and control, of and assistance to, all industries dealt with by the Department.

Bhopal Gas Leak Disaster-Special Laws relating thereto.

Petro-chemicals

Industries relating to production of non-cellulosic synthetic fibres (Nylon, Polyester, Acrylic etc)

Synthetic rubber

Plastics including fabrications of plastic and moulded goods

ANNEXURE-II

PRODUCTION OF BULK DRUGS OF SELECTED COMPANIES DURING 2000-01 TO 2002-03

S.No.	NAME OF THE BULK DRUG	A/c UNIT	Actual Production
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1	2	3	2000-01 4	2001-02 5	2002-03* 6
I <u>ANAESTHETICS</u>					
1	Lignocaine/ Xylocaine 49.58	MT	51.63	56.00	
2	Procaine 0.00	MT	0.00	0.00	
II <u>ANALGESICS & ANTIPYRETIC E</u>					
3	Analgin/ Metamizole (s) 236.91	MT	151.27	217.96	
4	Aspirin(s) 1045.56	MT	1339.60	916.48	
5	Ibuprofen(s) 2604.27	MT	2295.13	2074.39	
6	Oxyphenylbutazone 0.00	MT	0.77	0.21	
7	Paracetamol	MT	NA	NA	NA
8	Pethidine 93.00	KGs	154.00	338.00	
9	Phenyl Butazone (S) 0.00	MT	3.08	7.21	
10	Prioxicam	MT	NA	NA	NA
III <u>ANTI ASTHAMATICS</u>					
11	Aminophylline (s) 8.15	MT	3.58	5.57	
12	Ephedrine(s) 160.42	MT	345.45	247.77	
13	Salbutamol (S) 15004.00	KGs	21054.00	18220.00	
14	Terbutaline 2279.00	KGs	2386.00	2473.00	
15	Theophylline (s) 130.49	MT	192.72	193.50	

IV ANTIBIOTICS

16	Amoxicillin 1167.19	MT	962.91	882.70	
17	Ampicillin 151.29	MT	149.22	166.86	
18	Cephalexin 825.51	MT	831.89	769.91	
19	Chloramphenicol Palmitate 27.88	MT	0.00	25.85	
20	Chloramphenicol Powder 32.65	MT	8.74	24.91	
21	Cloxacillin (s) 65.74	MT	134.89	79.23	
22	Doxycycline (s) 3.92	MT	8.27	6.00	
23	Erythromycin (s) 173.27	MT	116.09	173.41	
24	Framycetin (s)	MT	NA	NA	NA
25	Gentamycin (s) 0.00	KGs	0.00	0.00	
26	Griseofulvin (s) 7.87	MT	13.31	9.41	
27	Oxytetracycline (s) 71.74	MT	126.50	84.46	
28	Penicillin (s)				
	a. Penicillin G. 1st Crystal 8699.62	MMU	7056.94	7695.57	
	b. Penicillin G. Procaine 227.81	MMU	119.91	139.16	
	c. Penicillin G. Sodium 195.54	MMU	65.62	89.46	
	d. Penicillin G. Benzathine 34.20	MMU	24.05	27.95	
29	Rifampicin (s) 482.64	MT	279.00	282.62	
30	Streptomycin (s) 0.12	MT	0.01	0.12	
31	Tetracycline (s) 0.00	MT	37.90	8.08	

V ANTI DIABETICS

32	Chlorpropamide (S) 68.34	MT	84.53	67.69	
33	Glibenclamide 18.59	MT	6.22	12.46	
34	Insulin (s)	MU	0.00	0.00	NA
35	Tolbutamide 36.18	MT	33.29	48.07	

VI ANTI DYSENTRY DRUGS

36	Diloxamide Furoate 5.02	MT	9.80	7.48	
37	Iodocholrohydroxy-quinoline(s) 219.75	MT	153.24	129.59	
38	Metronidazole (s) 907.20	MT	910.52	957.06	
39	Tinidazole 764.70	MT	385.97	572.35	

VII ANTI FILARIALS

40	Diethyl Carbamazine 0.00 (DEC Citrate)	MT	0.00	0.00	
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VIII ANTI HELMENTICS

41	Mebandazole	MT	NA	NA	NA
42	Piperazine and Salts 45.13	MT	0.00	63.11	
43	Pyrantel Palmoate (s)	MT	NA	NA	NA
44	Tetramisole/Levamisole	MT	NA	NA	NA

IX ANTI HISTAMINS

45	Diphenhydramine 0.00	MT	0.00	0.00	
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46	Pheneramine Maleate (s) 52.99	MT	45.30	43.55	
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X ANTI LEPROTICS

47	Clofazamine 0.00	MT	0.00	0.00	
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48	Dapsone 0.00	MT	0.00	0.00	
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XI ANTI MALARIALS

49	Amodiaquin (s)	MT	NA	NA	NA
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50	Chloroquine(s)	MT	NA	NA	NA
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XII ANTI T.B. DRUGS

51	Ethambutol 892.25	MT	837.02	782.73	
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52	INH 33.43	MT	25.93	36.27	
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53	Pas & its Salts 0.00	MT	0.00	0.00	
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54	Pyrazinamide 0.00	MT	0.00	0.00	
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55	Thiacetazone 0.00	MT	21.91	8.36	
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XIII CARDIOVASCULAR DRUGS

56	Digoxin	KGs	NA	NA	NA
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57	Methyl Dopa (s) 0.00	MT	0.00	0.00	
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58	Propranolol 3.56	MT	7.74	10.08	
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59	Xanthinol Nicotinate 9.56	MT	11.99	4.70	
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XIV CNS STIMULANTS

60	Caffeine 75.34	MT	81.42	30.87	
61	Nikethamide 0.00	MT	0.00	0.00	

XV CORTICOSTEROIDS

62	Betamethasone (s) 3285.00	KGs	3771.00	3088.00	
63	Dexamethasone (s)	KGs	NA	NA	NA
64	Hydrocortisone 730.00	KGs	722.00	707.00	
65	Prednisolone (s) 2707.00	KGs	2836.00	3147.00	

XVI DIURETICS

66	Acetazolamide	MT	NA	NA	NA
67	Frusemide (s) 46.95	MT	56.13	41.60	
68	Hydrochlorothiazide 22.24	MT	13.72	18.33	
69	Spironolactone 0.003	MT	0.00	0.03	

XVII GASTRO INTESTINAL

70	Ranitidine (s) 713.98	MT	739.50	797.79	
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XVIII OTHER ANTI BACTERIALS

71	Nalidixic Acid (s)	MT	NA	NA	NA
72	Trimethoprim (s) 449.17	MT	374.65	512.54	

XIX SULPHA DRUGS

73	Sulphacetamide 4.79	MT	5.87	6.44	
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74	Sulphadiazine (s) 0.00	MT	0.00	0.00	
75	Sulphadimidine (s) 0.00	MT	0.00	0.00	
76	Sulphaguanidine 0.00	MT	0.00	0.00	
77	Sulphamethoxazole (s)	MT	232.96	NA	NA
78	Sulphamoxole (s) 13.55	MT	8.41	11.23	
79	Sulphaphenazole 0.00	MT	0.00	0.00	
80	Sulphasomidine 0.00	MT	0.00	0.00	

XX TRANQUILIZERS & SEDATIVES

81	Diazepam	MT	NA	NA	NA
82	Imipramine	MT	0.06	0.00	NA
83	Nitrazepam 396.00	KGs	940.00	843.00	
84	Phenobarbitone 11.79	MT	34.19	15.10	
85	Trifluperazine 0.00	MT	0.00	0.00	

XXI VITAMINS

86	Folic Acid 0.00	MT	0.00	0.00	
87	Nicotinamide 407.57	MT	310.55	322.91	
88	Nicotinic Acid 390.73	MT	313.05	329.06	
89	Vitamin A (s) 74.05	MMU	59.77	27.83	
90	Vitamin B1/Thiamine (s) 4.16	MT	4.51	4.89	
91	Vitamin B12	KGs	NA	NA	NA
92	Vitamin B2 (s) 7.34	MT	35.23	29.19	

93	Vitamin B6 0.00	MT	0.00	0.00
94	Vitamin C/Ascorbic Acid (s) 265.46	MT	546.22	439.43
95	Vitamin D3 1640.00	KGs	632.00	461.00
96	Vitamin E (s) 184.71	MT	220.71	227.30

Source : Monthly Production Returns submitted by the selected companies

* Provisional

NA Not Available

(s): Scheduled Bulk Drugs Under DPCO, 1995; covering 44 out of 74 bulk drugs under the DPCO.

ANNEXURE-III

CAPACITY AND PRODUCTION OF CHEMICALS DURING 2002-03, 2003-04 AND ANTICIPATED PRODUCTION DURING 2004-05

S. No.	PRODUCTS	INST CAP 31.3.2003	PRODUCTION		
			2002-03 ACTUAL	2003-04 ESTD	2004-05 ANTIPTD
ALKALI CHEMICALS					
1	SODA ASH 1840.3	2042	1632	1673	
2	CAUSTIC SODA 1707.2	1953	1520	1552	
3	LIQUID CHLORINE 1113.2	1448	970	1012	
	TOTAL 4660.7	5443	4122	4237	
INORGANIC CHEMICALS					
1	ALUMINIUM FLOURIDE 14.0	17.6	14.8	12.7	
2	CALCIUM CARBIDE 49.7	86.5	49	45.2	

3	CARBON BLACK	342	205	206
	226.6			
4	POTASSIUM, CHLORATE	11.6	2.2	1.5
	1.7			
5	TITANIUM DIOXIDE	50.5	45.5	45.6
	50.2			
6	RED PHOSPHORUS	1.7	0.6	0.6
	0.7			
	TOTAL	509.9	317.1	311.6
	342.8			

ORGANIC CHEMICALS

1	ACETIC ACID	326.3	251.7	311.3
	342.4			
2	ACETIC ANHYDRIDE	51.5	23.1	28.2
	31.0			
3	ACETONE	64	44.1	40.1
	44.1			
4	PHENOL	66.5	76.2	71.7
	78.9			
5	METHANOL	385	362.1	366.5
	403.2			
6	FORMALDEHYDE	272.2	182	189.0
	207.9			
7	NITROBENZENE	54	25.3	23.1
	25.4			
8	CITRIC ACID	6.3	3.3	0.0
	0.0			
9	MALEIC ANHYDRIDE	27.3	11.9	15.0
	16.5			

10	PENTA-ERITHRITOL 11.6	17	14	10.5
11	CHLOROMETHANES 43.7	83.7	79.1	39.7
12	ONCB 27.7	30.8	24.6	25.2
13	PNCB 27.7	34.5	24.6	25.2
14	MEK 8.5	9.0	8.3	7.7
15	ANILINE 16.6	28.7	14.6	15.1
16	ACETALDEHYDE 122.4	125	126.2	111.3
17	ETHYL ACETATE 38.5	55.1	40.1	35.0
18	OTHO NITRO TOLUDENE 7.4	6.1	4.4	6.7
	TOTAL 1453.4	1643	1315.6	1321.3
PESTICIDES				
1	DDT 4.3	6.3	2.9	3.9
2	MALATHION 4.4	13.1	4.2	4.0
3	PARATHION (MELTHYL) 1.8	4.0	1.9	1.6
4	DIMETHOATE 1.2	3.2	0.8	1.1

5	D.D.VP 3.2	4.3	2.5	2.9
6	QUINALPHOS 2.6	5.3	1.8	2.4
7	MONOCROTOPHOS 8.1	16.7	6.5	7.4
8	PHOSPHAMIDON 0.6	6.5	0.8	0.5
9	PHORATE 3.7	10.9	3.2	3.4
10	ETHION 2.4	2.2	1.7	2.2
11	ENDOSULPHAN 3.4	10.1	3.7	3.1
12	FENVALERATE 0.9	1.9	0.5	0.8
13	CYPERMETHRIN 5.9	5.3	5.1	5.4
14	ANILOPHOS 0.3	1.2	0.4	0.3
15	ACEPHATE 4.3	7.5	4.8	3.9
16	CHLORPYRIPHOS 5.0	10.5	6.4	4.5
17	PHOSALONE 0.1	1.0	0.4	0.1
18	METASYSTOX 0.7	*	0.5	0.6
19	ABATE 0.0	*	0.04	0.0

20	FENTHION	*	0.4	0.2
	0.2			
21	TRIAZOPHOS	*	1.2	0.3
	0.3			
22	LINDANE	1.2	0.3	0.2
	0.2			
23	TEMEPHOS	0.2	0.1	0.1
	0.1			
24	DELTAMETHRIN	0.3	0.2	0.2
	0.2			
25	ALPHAMELTHRIN	0.4	0.2	0.2
	0.2			
	TOTAL	112.1	50.54	49.3
	54.2			

FUNGICIDES

26	CAPTAN & CAPTAFOL	1.8	0.1	0.6
	0.7			
27	CARBENDAZIM	1.5	1.3	1
	1.1			
28	CALAXIN	0.2	0.03	0.01
	0.0			
29	MANCOZEB	11	10.2	10.2
	11.2			
30	COPPEROXYCHLORIDE	1.5	0.2	0.2
	0.2			
	TOTAL	16	11.83	12.0
	13.2			

HERBICIDES

31	2,4D	2.3	0	0.2
	0.2			

32	BUTACHLOR	0.9	0.2	0.3
	0.3			

	TOTAL	3.2	0.2	0.5
	0.6			

WEEDICIDES

33	ISOPROTURON	6.4	2.7	4.1
	4.5			

34	GLYPHOSATE	3.2	0.1	0.2
	0.2			

35	DIURON	0.1	0.04	0.05
	0.1			

36	ATRAZINE	N.A.	0.2	0.03
	0.0			

37	FLUCHLORALINE	0.3	0.2	0.02
	0.0			

	TOTAL	10	3.24	4.4
	4.8			

RODENTICIDES

38	ZINC PHOSPHIDE	0.9	0.2	0.2
	0.2			

39	ALUMINIUM PHOSPHIDE	2.3	2.0	1.3
	1.4			

	TOTAL	3.2	2.2	1.5
	1.7			

FUMIGANTS

40	METHYLE BROMIDE 0.0	0.3	0.06	0
41	DICOFOL 0.1	0.15	0.1	0.08
	TOTAL 0.1	0.45	0.16	0.08
	TOTAL OF PESTICIDES 74.569	144.95	68.17	67.79
DYES & DYESTUFF				
1	AZO DYES 5.0	8.7	4.1	4.5
2	ACID DIRECT DYES 0.0	0.4	0.01	0
3	BASIC DYES 0.0	0.5	0.002	0
4	DISPERSE DYES 0.0	5.2	1.3	
5	FAST COLOUR BASES 0.0	0.6	0	0
6	INGRAIN DYES 0.1	0.3	0.03	0.1
7	OIL SOLUBLE DYES 0.0	1.6	0.3	0.0
8	OPTICAL WHITENERS 0.3	1.1	0.4	0.3
9	ORGANIC PIGMENTS 13.0	12.3	10.9	11.8
10	PIGMENT EMULSION 2.8	7.6	2.0	2.5

11	REACTIVE DYES 2.9	7.4	3.0	2.6
12	SULPHUR DYES 4.0	3.3	2.2	3.6
13	VAT DYES 0.7	2.3	1.4	0.6
14	SOLUBILISED VAT DYES 0.0	0.1	0.03	0.004
15	FOOD COLOURS 0.0	0.1	0	0
16	NEPTHOLS 0.6	1.2	0.3	0.5
	TOTAL 29.2	52.7	25.972	26.51

*** COMBINED CAPACITY, PLANT BEING MULTIPURPOSE**

NA : - NOT AVAILABLE

ANNEXURE-IV

MAJOR PETROCHEMICALS (ACTUAL, ESTIMATED & ANTICIPATED)

Figures in 000'MT

PRODUCTS	2002-03		2003-04		2004-05	
	ACTUAL		ESTIMATED *		ANTICIPATED	
	Installed Capacity	Prodn.	Installed Capacity	Prodn.	Installed Capacity	Prodn.
(1)	(2)	(3)	(6)	(7)	(8)	(9)
SYNTH. FIBRES						
1. A.F	138.00	105.00	138.00	113.00	138.00	117.00
2. N.F.Y @	28.00	30.00	28.00	30.00	28.00	33.00
3. N.I.Y/TC @	50.00	51.00	50.00	55.00	50.00	60.00
4. P.F.Y @ @	1264.00	946.00	1271.00	950.00	1275.00	1000.00

5. P.S.F	610.00	575.00	614.00	580.00	614.00	600.00
6. PPFY	22.00	15.00	18.00	17.00	18.00	20.00
7. PPSF	7.00	3.00	7.00	4.00	7.00	5.00
8. PSFF	46.00	30.00	46.00	36.00	46.00	40.00
Total	2165.00	1755.00	2172.00	1785.00	2176.00	1875.00

FIBRE INTERMEDIATES

1. A.C.N	30.00	33.00	30.00	35.00	30.00	40.00
2. CAPROLACTUM	120.00	100.00	120.00	100.00	120.00	105.00
3. D.M.T	300.00	199.00	300.00	200.00	300.00	200.00
4. P.T.A	1325.00	1705.00	1325.00	1720.00	1325.00	1750.00
5. M.E.G	590.00	611.00	615.00	650.00	615.00	670.00
Total	2365.00	2648.00	2390.00	2705.00	2390.00	2765.00

POLYMERS

1. L.D.P.E	200.00	192.00	200.00	195.00	200.00	200.00
2. L.L.D.P.E/H.D.P.E	1520.00	1478.00	1520.00	1500.00	1520.00	1600.00
3. P.P	1365.00	1430.00	1365.00	1600.00	1365.00	1750.00
4. P.S	414.00	224.00	414.00	270.00	414.00	300.00
5. P.V.C	780.00	822.00	798.00	850.00	798.00	880.00
6. EX. PS	37.00	29.00	37.00	30.00	37.00	30.00
Total	4316.00	4175.00	4334.00	4445.00	4334.00	4760.00

ELASTOMERS

1. S.B.R	62.00	16.00	62.00	20.00	62.00	22.00
2. P.B.R	50.00	54.00	50.00	55.00	50.00	60.00
3. NBR	9.00	6.00	13.00	7.00	13.00	7.00
4. EPDM	10.00	5.00	10.00	6.00	10.00	6.00
5. EVA	14.00	0.00	14.00	0.00	14.00	0.00
Total	145.00	81.00	149.00	88.00	149.00	95.00

SURFACTANTS

1. L.A.B	314.00	375.00	314.00	400.00	314.00	420.00
2. E.O	107.00	72.00	107.00	75.00	107.00	80.00
Total	421.00	447.00	421.00	475.00	421.00	500.00

PERFORMANCE PLASTICS

1. ABS RESIN	60.00	49.00	60.00	50.00	60.00	60.00
2. NYLON-6/NYLON-6	611.00	9.00	11.00	10.00	11.00	11.00
3. PMMA	4.00	3.00	4.00	3.00	4.00	4.00
4. SAN	40.00	34.00	40.00	35.00	40.00	40.00
Total	115.00	95.00	115.00	98.00	115.00	115.00

BUILDING BLOCKS

OLEFINS

1. ETHYLENE	2447.00	2305.00	2447.00	2350.00	2447.00	2400.00
2. PROPYLENE	1541.00	1589.00	1541.00	1750.00	1541.00	1800.00
3. BUTADIENE	139.00	68.00	139.00	105.00	139.00	110.00
Total	4127.00	3962.00	4127.00	4205.00	4127.00	4310.00

AROMATICS

1. BENZENE	686.00	595.00	686.00	600.00	686.00	625.00
2. TOULENE	280.00	163.00	280.00	165.00	280.00	170.00
3. ORTHOXYLENE	204.00	192.00	204.00	195.00	204.00	200.00
4. PARAXYLENE	1724.00	1424.00	1724.00	1450.00	1724.00	1500.00
5. MIXED XYLENE	165.00	52.00	165.00	60.00	165.00	65.00
Total	3059.00	2426.00	3059.00	2470.00	3059.00	2560.00

* : Based on actual monthly production returns reported by the Industrial Units up to Sept.,2003

'@ : Independent Capacity

@ @ : Includes capacities of NFY, NIY/TC & PPFY also from some of the companies under broadbanding.

ANNEXURE - V**LIST OF PUBLIC UNDERTAKINGS AND OTHER ORGANISATIONS
UNDER THE ADMINISTRATIVE CONTROL OF THE DEPARTMENT
OF CHEMICALS AND PETROCHEMICALS**

Attached Office

National Pharmaceutical Pricing Authority

Public Sector Undertakings

1. Hindustan Organic Chemicals Ltd., Rasayani, Maharashtra.
2. Hindustan Insecticides Ltd., New Delhi.
3. Indian Drugs & Pharmaceuticals Ltd., Dundahera Industrial Complex, Dundahera, Gurgaon, Haryana.
4. Hindustan Antibiotics Ltd., Pimpri, Pune, Maharashtra.

5. Smith Stanistreet Pharmaceuticals Ltd., Kolkata, West Bengal.
6. Bengal Chemicals & Pharmaceuticals Ltd., Kolkata, West Bengal.
7. Bengal Immunity Limited, Kolkata, West Bengal.

Other Organisations

1. Petrofils Cooperative Ltd., PO Petrofils, District - Vadodara, Gujarat.
2. Central Institute of Plastic Engineering & Technology, Guindy, Chennai.
3. Institute of Pesticides Formulation Technology, Gurgaon, Haryana.
4. National Institute of Pharmaceuticals Education and Research, Mohali, Punjab.

ANNEXURE - VI

**SUMMARY OF AUDIT OBSERVATION PERTAINING TO
DEPARTMENT OF CHEMICALS & PETROCHEMICALS**

The office of the Comptroller and Auditor General of India has included the following Audit observation pertaining to Department of Chemicals & Petrochemicals in the C & AG Report:

'Due to non-remittance of premium and consequent discontinuance of the Group Saving Linked Insurance Scheme, Indian Drugs and Pharmaceuticals Limited incurred avoidable expenditure of Rs.72.51 lakh'.

(Para 3.1.1 of Report No.3 of 2003)