



POWERING PROGRESS THROUGH PLASTICS
ISO 9001:2008 Certified

AIPMA



THE ALL INDIA PLASTICS MANUFACTURERS' ASSOCIATION

AIPMA House, A-52, Road No. 1, M.I.D.C., Marol, Andheri (East), Mumbai - 400 093, India.
Phone : (+91-22) 6777 8899 (30 Lines) 28217324/25
Fax : +91-22-2821 6390 • E-mail : office@aipma.net • Website : www.aipma.net

OFFICE BEARERS :

CHANDRAKANT TURAKHIA
President

KISHORE SAMPAT
Senior Vice President

MAYUR D. SHAH
Vice President - Finance

AKSHAT LADHA
Vice President (West Zone)

LALIT KUMAR SINGH
Vice President (North Zone)

ANIL REDDY VENNAM
Vice President (South Zone)

ASHOK AGARWAL
Vice President (East Zone)

North Zone :

Plot No. 232, Sector - 18,
Phase - IV, Udyog Vihar,
Gurugram, Haryana - 122 016.
Tel. No.: 0124 4050 005 / 6
naresh@aipma.net

South Zone :

4C-Gaiety Palace,
1, Blackers Road, Chindadripet,
Chennai - 600 002.
Tel No.: 044 4203 0236
ibrahim@aipma.net

East Zone :

Gajraj Signature,
Suite # 5E, 5th Floor,
5A, Sadananda Road,
Kolkata - 700 026.
Tel No.: 033 4005 0367
tapas@aipma.net

West Zone :

Mondeal Heights, Tower - A
13th Floor, Office No.1306/1307,
S.G. Highway, Near Wide Angle
Cinema, Next to Hotel Novotel,
Ahmedabad - 380 015.
Tel No.: 079 2970 5124
maulik@aipma.net

Ref. No. AIPMA/ RC/ 992

10th Nov, 2020

Shri Jigmet Tapka
Joint Secretary
Ministry of Environment Forest & Climate Change
Government of India
New Delhi

Subject: Lead stabilizers in PVC pipes and fittings

Dear Sir,

Greetings from AIPMA.

As you may aware, AIPMA is the oldest (75 years) and the largest industry association in the country representing more than 20,000 industry members. 95% of our members are MSME's.

Kindly refer to the meetings held on 5th Nov 2020 under your chairmanship on the above mentioned subject. We are thankful to you for giving us the opportunity to present the issues with respect to the cost implication of the changeover from lead to the alternate stabilizers as well as the staggered plan for the changeover.

While concluding the meeting we were advised by MoEF&CC to submit the concerns of the industry that were discussed meeting. We would like to submit the following humble suggestions for Lead Stabilizers in PVC Pipes & Fittings Rules, 2019: -

1. There are estimated to be over 2000 PVC pipe processing units in India. With an average of 3 extrusion machines per processing unit, the total number of extrusion machines is estimated to be 6000 all over India. The screw-barrel is heart of the extrusions machine. These need to be replaced process PVC with alternate lead-free Ca-Zn stabilizers. The extrusions machines are either indigenous (Indian manufacturers/Foreign manufacturers assembling in India) or imported. Many local manufactures of the extrusion machines also import the screw barrels. Hence, there will be dependency on either domestic markets or imports for the screw barrels, with substantial imports from China. Also, considering the number of screw barrel manufacturers in India, substantial time of 5 to 7 years



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is required for replacement of the screw-barrels of the extrusion machines. There is possibility of increase in the lead time and prices of the screw-barrels in case of immediate increase in demand of screw-barrels. There will be additional CAPEX for mixers in some cases.

2. In order to apply for BIS certification, it is mandatory for the processors to setup an in-house testing facility. The cost of lab equipments for an in-house lab for IS - 4985 is INR 12,00,000/-. The additional cost for lab equipments for IS - 13592 is INR 5,00,000/- and IS - 12818 is INR 8,00,000/-, totalling to INR 25,00,000/-. There will be additional cost of INR 5-10 lacs for civil work and other expenses. There are about 35-40 lab equipments suppliers in India, with just 3-4 manufacturers who have the entire setup in-house to provide all the lab equipment. A minimum time of 4-6 weeks is required to manufacturing of lab equipments of IS 4985. On an average, a lab equipment manufacturer in India has capacity to process 3-4 lab order at any point of time. With nearly 1200+ PVC pipe & fittings processors who will need to acquire mandatory BIS certification, 6 months' period is too short time for all these processors to comply with. The delivery of lab equipments itself will take about 2-3 years. Also, with sudden increase in demand of lab equipments, we can expect delay in delivery of lab equipments and also increase in equipment prices.

3. The industry also requires enough technically qualified personnel to manage these in-house laboratories. There is a need to impart the required training to the manufactures and lab technicians. This can be only achieved with the help of BIS and CIPET. We request BIS to formulate a feasible road-map in discussion with stakeholders to arrive at a more achievable timeline. This will help to identify practical difficulties that can emerge in the transition.

4. Majority of the raw materials required for production of alternate lead free stabilizers are required to be imported in India with nearly 80-90% dependency on China. As the dependency high on imports, a sudden rise in demand can cause hike in raw material prices thus of the alternate lead free stabilizers.



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5. Currently 73% of the total PVC consumption of India is consumed by the Pipes & Fittings industries. Nearly 45-50% of the pipes & fittings produced are consumed for irrigation purpose. The cost implication of use alternate lead-free stabilizers is estimated to be 8-11 % over the prevailing prices. This increase in prices of PVC pipes & fittings will directly impact the farmers. Also, this price increase will directly impact the Government spending on the irrigation projects. This impact is estimated to be INR 14-15 billion (INR 1400-1500 crore) every year.
6. The PVC pipes industry is highly segmented. Around 60% accounted by organized players. The organized section of the industry consists of large, medium and small players and the unorganized section of the PVC pipes Industry - balance 40%, consists of small local industries. So, nearly 65-70% of the PVC pipes industry consists of small and medium size manufactures. These local and regional small manufacturers generate huge employment. MSME is the most affected segment on account of COVID-19, with smaller industries suffering the most and are on the verge of closure. Most of these small payers are not in a position to afford the required CAPEX to comply with the draft notification. Also, these small manufacturers have limited access to financing options, machinery manufacturers and raw material suppliers. These manufacturers may not be able to comply with short aggressive timeline considering the all above constraints mentioned. This may lead to closure of these units, thus resulting in loss of jobs and livelihood.
7. There are other industry concerns that we have submitted in our previous submission to the MoEF&CC, CIPET and BIS. We request MoEF&CC to please consider the same
8. For any transition, there can be always teething troubles in the initial years; hence the first phase of the transition needs to be of longer time period. AIPMA had originally submitted a total timeline of 15 years based on the time taken by most of the developed nations to phase out use of lead in processing PVC. However, industry stake holders, as responsible citizens, understand the need of the hour and fully support the MoEF&CC concerns about environment and human health. In view of the same we request MoEF&CC to



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consider the following implementation schedule to make the transition smooth

Category	Phase out Period	Product share
1. CPVC Plumbing Pipes (IS 15778)	3 years from date of notification	Approx. 17% of the Pipe production
2. Agricultural & WSS, Casing Pipes (IS 4985, IS 12818, IS 16447, IS 10124, IS 7834, IS 12231, IS 13593, IS 15265)	5 years from the date of notification	Approx. 49% of the pipe production
3. SWR and Sewage pipes (IS 13592, IS 14735, IS 9271, IS 15328, IS 16098)	6 years from the date of notification	Approx. 15% of the pipe production

9. We also request that industry representatives be made part of the panel/working committee proposed to be constituted by nodal agency for the implementation of these rules. This will help to put across industry concerns and facilitate a smooth transition plan.

We would be grateful for your kind consideration of the above considering the best interest of MSME' and farmers in the country.

Thanks and best regards,

Chandrakant Turakhia

President

Cc:

1. Mr. Rameshwar Prasad Gupta, Secretary, Ministry of Environment Forest & Climate Change
2. Mr. A. K Sharma, Secretary, Ministry of MSME, Govt of India
3. Mr. Rajesh Kumar Chaturvedi, Department of Chemicals and Petrochemicals, Govt of India