

# Mundra Petrochemical project

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**In news**– The Adani group has suspended work on a Rs 34,900 crore petrochemical project at Mundra in Gujarat recently.

## What is the Mundra Petrochemical project?

- Adani group's flagship Adani Enterprises Ltd (AEL) had in 2021 incorporated a wholly owned subsidiary, Mundra Petrochem Ltd, for setting up a **greenfield coal-to-PVC plant** at Adani Ports and Special Economic Zone (APSEZ) land in Kutch district of Gujarat.
- **The plant was to have a poly-vinyl-chloride (PVC) production capacity of 2,000 KTPA** (kilo tonne per annum) requiring 3.1 million tonne per annum (MTPA) of coal that was to be imported from Australia, Russia and other countries.
- The suspension of the Mundra project comes in the aftermath of the damaging Hindenburg report, which alleged accounting fraud, stock manipulations and other corporate governance lapses.

## What is poly-vinyl-chloride (PVC)?

- **PVC is the world's third-most widely produced synthetic polymer of plastic**, after polyethylene and polypropylene.
- **It finds wide applications** – from flooring, to making sewage pipes and other pipe applications, in insulation on electrical wires, and manufacture of aprons etc.
- PVC comes in two basic forms: rigid and flexible. The rigid form of PVC is used in construction for pipe and in profile applications such as doors and windows.
- It is **also used in making plastic bottles, non-food packaging, food-covering sheets and plastic cards** (such as bank or membership cards).
- India produced roughly 1.45 million tonnes of PVC in

2022 and imported another 1.5 million tonnes as per data from the Alkali Manufacturers Association of India.

- The Mundra Petrochemicals project was planned to bridge the gap between domestic production and demand for PVC in India, turning India into a net exporter of PVC instead.