

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3898
ANSWERED ON:19.12.2006
INCENTIVES TO INDUSTRIES
Adsul Shri Anandrao Vithoba

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) Whether the Government has given special incentives to the industries which are adopting recycling and eco-friendly conservation practices ;
- (b) If so, the details of the incentives given to industries during the last three years; and
- (c) The results achieved so far ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a)&(b) : Yes, Sir. The following incentives have been provided to industries to adopt recycling and eco-friendly conservation practices:

- i. Enhanced rate of depreciation, deduction upto 100% of profits derived from the business of collecting and processing or treating of bio-degradable waste for generating power or producing bio-fertilizers, etc. and deduction of specified expenditure under the Income Tax Act.
- ii. A subsidy upto 25% of the project cost for enabling small scale industries to set up and upgrade existing Common Effluent Treatment Plants.
- iii. Concessional duty for import of waste paper to incentivise fibre based paper mills.
- iv. In 2004-05, customs duty exemption was given for import of machinery and equipments for setting up effluent treatment plants for leather industry; and in 2005-06, customs and excise duty exemptions were given in respect of machinery components for initial setting up of power generation projects using non conventional material viz., agricultural, forestry, agro-industrial, industrial, municipal and urban waste, bio-waste or poultry litter.

(c) : The incentives are aimed at encouraging eco-friendly practices and use of waste material, and have encouraged industries to adopt recycling and eco-friendly conservation practices.