

**GOVERNMENT OF INDIA  
ENVIRONMENT, FORESTS AND CLIMATE CHANGE  
LOK SABHA**

STARRED QUESTION NO:404  
ANSWERED ON:06.08.2014  
WATER CESS  
Paswan Shri Kamlesh

**Will the Minister of ENVIRONMENT, FORESTS AND CLIMATE CHANGE be pleased to state:**

- (a) whether the Water (Prevention and Control of Pollution) Cess Act, 1977 as amended from time to time envisages levying and collection of water cess for control of water pollution and if so, the details thereof;
- (b) whether any criteria has been laid down for classifying industries and other entities for the purpose and if so, the details thereof;
- (c) the total amount of such cess collected and deposited with the Consolidated Fund of India during each of the last three years and the current year, State/UT-wise;
- (d) whether the Government has any norms for the allocation and utilization of revenue collected as water cess and if so, the details thereof; and
- (e) whether the Government assessed the achievements of levying cess and if so, the details thereof;

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR ENVIRONMENT, FORESTS AND CLIMATE CHANGE (SHRI PRAKASH JAVADEKAR)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (A) to (E) OF THE LOK SABHA STARRED QUESTION NO. 404 DUE FOR REPLY ON 06.08.2014 REGARDING WATER CESS RAISED BY SHRI KAMLESH PASWAN.

(a) & (b) The Water (Prevention and Control of Pollution) Cess Act, 1977 (Water Cess Act) was enacted by the Government for levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities with a view to augment the resources of the Central Pollution Control Board (CPCB) and the State Pollution Control Boards (SPCBs) for the prevention and control of water pollution. Every person carrying on any industry and every local authority using water, irrespective of the source from where water is drawn, is liable to pay cess on the quantity of water consumed by them. The water cess is levied and collected from industries and local authorities by the SPCBs and Pollution Control Committees (PCCs) of respective States Government and Union Territory and is remitted to the consolidated Fund of India every month. The water cess is not levied on hydro power units and industries consuming less than 10 kilo litres of water daily; however, this exemption is not available to the industries generating hazardous waste. The details of existing water cess rates levied under the Water Cess Act are provided in Annexure-I

(c) & (d) The details of the water cess collected by SPCBs and PCCs under the Water Cess Act during the last three financial years and the current year (April, 2014 to Jun, 2014) are given in Annexure-II. As per Section 8 of the Water Cess Act and guidelines issued by the Ministry, upto 80 percent of the total cess amount collected by the SPCBs and PCCs is disbursed to them. The remaining twenty percent of the water cess is retained by the Central Government for undertaking specific projects of national importance through CPCB subject to approval by the Central Government on case to case basis.

Presently, SPCBs / PCCs are allowed to utilize 50% of the total amount of water cess reimbursed to them on their establishment and office operations. 25% of the total amount of water cess reimbursed is earmarked for i) establishment costs related to scientific and technical manpower, including augmentation thereof; and ii) e-governance and IT applications in the SPCBs/PCCs including online consent management. 25% of the cess funds available for project activities are earmarked for monitoring of air, water and noise and creation of related infrastructure.

(e) No assessment has been conducted by the Government to ascertain the achievements of levying cess.