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STANDING COMMITTEE ON WATER RESOURCES

(2019-20)

SEVENTEENTH LOK SABHA

MINISTRY OF JAL SHAKTI
(DEPARTMENT OF WATER RESOURCES, RIVER DEVELOPMENT & GANGA REJUVENATION)

SOCIO-ECONOMIC IMPACT OF COMMERCIAL EXPLOITATION OF WATER BY INDUSTRIES

{Action Taken by the Government on the Observations / Recommendations contained in the Twenty Third Report (16th Lok Sabha) of the Standing Committee on Water Resources}

FIFTH REPORT

LOK SABHA SECRETARIAT

NEW DELHI

March, 2020 / Phalguna,1941 (Saka)

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Presented to Lok Sabha on 5.3.2020

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LOK SABHA SECRETARIAT
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(2019-20)

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INTRODUCTION

I, the Chairperson, Standing Committee on Water Resources (2019-20) having been authorised by the Committee to submit the Report on their behalf, present the Fifth Report on the Action Taken by Government on the Observations / Recommendations contained in the Twenty-Third Report (Sixteenth Lok Sabha) of the Standing Committee on Water Resources on the subject "Socio-economic impact of commercial exploitation of water by industries".

2. The Twenty-Third Report of the Committee was presented to Lok Sabha and laid in Rajya Sabha on 09 August, 2018. The replies of the Government to all the recommendations contained in the Report were received on 30 November, 2018.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 3.3.2020.

4. An analysis of the Action Taken by the Government on the Observations / Recommendations contained in the Twenty-Third Report (Sixteenth Lok Sabha) of the Committee is given in Annexure-IV.

NEW DELHI
03 March, 2020
13 Phalguna, 1941 (Saka)

DR. SANJAY JAISWAL,
Chairperson,
Standing Committee on Water Resources

CHAPTER I

REPORT

This Report of the Standing Committee on Water Resources deals with the Action Taken by the Government on the observations/recommendations contained in their Twenty Third Report (16th Lok Sabha) on the Subject 'Socio-economic impact of commercial exploitation of water by Industries' which was presented to Lok Sabha on 09 August, 2018. Action Taken Notes received from the Government in respect of all the 16 observations/ recommendations of the Committee have been categorized as under:-

(i) Observations / Recommendations which have been accepted by the Government (Chapter II):

Para Nos. 1, 6, 7, 8, 9, 11, 13, 14, 15 and 16

(Total – 10)

(ii) Observations / Recommendations which the Committee do not desire to pursue in view of the Government's replies (Chapter III):

Para Nos. NIL

(Total – NIL)

(iii) Observations / Recommendations in respect of which replies of the Government have not been accepted by the Committee (Chapter IV):

Para Nos. 2, 3, 4, 5, 10 and 12

(Total – 06)

(iv) Observations / Recommendations in respect of which final replies of the Government are still awaited (Chapter V):

Para Nos. NIL

(Total – NIL)

2. The Committee will now deal with the action taken by the Government on some of the observations/recommendations in the succeeding paragraphs.

A. Emergence of Packaged Drinking Water as a crucial source for bridging the gap between rising demand for pure and safe Drinking Water and dwindling supply

Recommendation (Para No. 1)

3. From the submissions made before the Committee, the Committee noted that with rising population and increasing Industrialisation and Urbanisation, the demand for safe and pure Drinking Water had gone up significantly. The Committee noted that by the year 2030, the country's water demand is projected to be twice the available supply and by 2050, the per capita availability of water is estimated to go down to 1140 m3/year from 1545 m3/year in 2011. They further noted that Industry and Energy Sectors, combined, constituted the second largest consumer of water in the country. Further growth in Water Intensive Industries had been quite significant putting more pressure on the availability of water. Against this backdrop, the Committee expressed its concern over the Ministry's submissions that Industrial Clusters in various parts of the country had been established often without due regard to the availability of assured water supply; which had further compounded the problem of scarcity of water and had led to increased stress on the Local Ground Water Resources in terms of quality and quantity. Such unabated growth in Water Intensive Industries along with increasing population had resulted in adverse environmental and socio-economic effects such as significant long term decline in Ground Water Levels, deterioration in water quality, degradation of large tracts of land and rising conflicts amongst different stakeholders. While expressing their concern over rapidly shrinking water resources unable to cater to the demand of rising population, the Committee felt that there was an urgent need to device a proper policy framework to address the socio-economic consequences arising out of reckless and uncontrolled use of water for purely Private Commercial Gains.

4. The Ministry in its action taken note has replied as follows:-

> *"Central Ground Water Authority (CGWA), constituted under the Environment (Protection) Act of 1986 has the mandate of regulating Ground Water development and management in the country. With a view to facilitate sustainable development of Ground Water and to ensure that necessary mechanisms are put in place to, (a) optimise Ground Water extraction, (b) ensure implementation of water conservation/augmentation measures, and (d) monitor Ground Water quality and prevent its contamination due to effluents, CGWA has been granting No Objection Certificates (NOCs) with mandatory conditions and directions for Ground Water withdrawal by Industries, Infrastructure units and Mining Projects since 1999 in States/UTs which either do not have functional Ground Water Authorities or do not*

regulate Ground Water development through Government Orders. The Guidelines have evolved over time from simple directions to more inclusive and comprehensive Guidelines with mandatory conditions for Ground Water augmentation and prevention of contamination.

To ensure a more robust Ground Water regulatory mechanism and to address various shortcomings in the existing guidelines including those related to implementation of recharge conditions, the Ministry of Water Resources, River Development & Ganga Rejuvenation (MoWR, RD & GR) has revised the existing Guidelines for Ground Water abstraction. These Guidelines have the provision of Water Conservation Fee (WCF) which shall be collected from the industrial establishments against usage of Ground Water. The Water Conservation Fee collected from proponents in a State/ Union Territory (UT) shall be made available to the concerned States/UT to be used for facilitating measures for sustainable and efficient management of water resources depending on the prevalent hydro-geological scenario, land use and agricultural practices. These interventions could range from implementation of water conservation/ artificial recharge measures, promotion of Micro-Irrigation practices through subsidies, encouraging change in cropping pattern to less-water consuming crops to incentivizing good Ground Water management and water governance practices, coupled with mass awareness and capacity building campaigns. The proposed mechanism is expected to help States/UTs implement large scale water conservation/ artificial recharge schemes in priority areas in a focussed and scientific manner to ensure optimal benefits."

5. The Committee observe that Central Ground Water Authority (CGWA), constituted under the Environment (Protection) Act, 1986 has been granting 'No Objection Certificates' (NOCs) with mandatory conditions and directions for Ground Water withdrawal by Industries, Infrastructure Units and Mining Projects since 1999 in States/UTs which either do not have functional Ground Water Authorities or do not regulate Ground Water development through Government Orders. The Committee further note that to address various shortcomings in the existing Guidelines including those related to implementation of recharge conditions, the Ministry of Jal Shakti has revised the existing Guidelines for Ground Water abstraction. These Guidelines have the provision of Water Conservation Fee (WCF) which shall be collected from the Industrial Establishments against usage of Ground Water and shall be made available to the concerned States/UTs for facilitating adoption of measures for sustainable and efficient management of water resources depending on the prevalent hydro-geological scenario, land use and agricultural practices. The proposed mechanism is expected to help the States/UTs to implement large scale Water Conservation/Artificial Recharge Schemes in priority areas in a focussed and

scientific manner to ensure optimal benefits. However, the replies are devoid of any particular time frame for implementation of the proposed measures. While appreciating the revision in Guidelines for Ground Water abstraction and proposed levying of Water Conservation Fee, the Committee desire to be apprised of the time period by which the proposed measures are expected to be implemented to prevent indiscriminate exploitation of Ground Water as also the mechanism to ensure that the amount of fee is actually used for the purpose it is collected for.

6. The Committee further note that besides proposed revision of existing Guidelines and levying of Water Conservation Fee, no separate Policy has been chalked out to address the socio-economic consequences arising out of reckless and uncontrolled use of Water for purely Private Commercial Gains. It is the considered view of the Committee that Water being a scarce commodity, there is an urgent need to devise a distinct and self-contained Policy to stop the commercial use of not only the Ground Water but also the Surface Water for profit. Keeping in view the acute scarcity of Water looming large over the country in the near future and role of other Ministries/Departments, viz., the Ministry of Consumer Affairs, Food & Public Distribution, the Ministry of Health & Family Welfare, and the State Governments/ Union Territories, etc., in the regulation of Commercial Exploitation of Water, the Committee, urge the Ministry of Jal Shakti to formulate a well structured policy and the enforcement mechanism, urgently in consultation with Ministries/Departments concerned for better regulation of the Commercial Use of Water.

B. GROUND WATER AS A MAJOR SOURCE OF RURAL DRINKING WATER SUPPLY

Recommendation (Para No. 2)

7. The Committee noted that still 85 per cent of Drinking Water Schemes in the rural areas covering 17.14 lakh Rural Habitations are based on Ground Water Resources, which although, had ensured assured supply of water, but in the long run, may have adverse impact on the Underground Water Table and lead to water quality issues; as 71,077 Rural Habitations have reported water quality problems. There are 72.72 lakh Water Supply Schemes in the rural areas of the country and 56.84 lakh Hand Pumps have so far been installed. The Committee were particularly concerned to note that though at present, 87 per cent of the Rural Households had access to 'basic water,' as stated by NITI Aayog in its Report on Composite Water Management Index, only 50 per cent of them got Safe Water. Further, due to inadequate or Unsafe Drinking Water, approximately two lakh deaths were occurring annually in the rural areas. The Committee noted from the submissions made by the Ministry of Drinking Water and Sanitation (MoDWS) that a strategic goal had been

established to achieve *Har Ghar Jal* by 2030. Also, as on 1 April, 2018, 78.14 per cent Rural Habitations were able to get more than 40 litre per capita per day Safe Drinking Water and 56.04 per cent had access to Piped Water Supply. Keeping in view the alarming rate at which Ground Water was being depleted, the Committee desired that the Surface Water should be increasingly relied upon to cater to Drinking Water needs of the Rural Areas. The access to Piped Water supply to each Rural Household; as proposed in the strategic goal to be achieved till 2030 should be focussed on mainly Surface Water Sources except for the areas where it is not feasible. Further, expressing their concern over large scale drilling for Tubewells/Handpumps, the Committee recommended that a coordinated approach should be taken by the State Governments, Ministry of Drinking Water and Sanitation (MoDWS) and the Central Ground Water Board (CGWB) while giving permission to install Handpumps to check its unbridled growth and strict action should be taken against illegal drilling for Handpumps. The Committee also desired to be apprised of the details of Community Water Purification Plants being set up in rural areas to supply Purified Water in the rural areas in the interim period till the completion of network for Piped Water Supply. Further, keeping in view the serious water quality issues, particularly in the Habitations affected with Arsenic and Fluoride contamination, the Committee felt that the Packaged Drinking Water Industries might be roped in to complement the Government's efforts to supply Safe and Clean Drinking Water. Therefore, these Industries should be given incentive by the Government to set up Units/Plants in such areas and provide treated potable water to the masses at an affordable cost.

8. The Ministry in its action taken note has replied as follows:-

"Water being a State subject, supply of potable water is primarily States' responsibility. However, Central Government supplements the efforts of State Governments by way of technical and financial assistance to provide potable water to general public.

Ministry of Drinking Water and Sanitation (MoDW&S) is supplementing the efforts of the States both technically and financially towards ensuring safe and adequate drinking water supply to the rural population of the country.

As per the information received from MoDW&S, people in about 3.6% of the rural habitations (about 62,000 in numbers) are at the risk of consuming water contaminated with one or other geogenic contamination, whereas more than 80% of the rural habitations are being catered safe drinking water through one or other means.

The MoDW&S promotes the States to take up small, sustainable, single village based piped water supply schemes which have low Operation and Maintenance cost and are demand driven. Schemes involving community contributions are being provided special attention.

Further, under the National Aquifer Mapping and Management (NAQUIM) programme, the Central Ground Water Board (CGWB) is providing technical assistance to States/UTs about the design of Arsenic free wells. The concerned States/UTs may appropriately utilize the knowledge shared by CGWB in this connection for creating tubewells/borewells, etc., for drinking water purposes."

9. The Committee find that with an aim to integrate water resources management under one umbrella so that the issues relating to water are dealt in a holistic manner, the Ministry of Jal Shakti has recently been formed by the Government of India, thereby, integrating the erstwhile Ministry of Water Resources River Development and Ganga Rejuvenation and the Ministry of Drinking Water and Sanitation. Now, the newly formed Ministry of Jal Shakti has two Departments, namely, the Department of Water Resources, River Development & Ganga Rejuvenation and the Department of Drinking Water and Sanitation. In this backdrop, the Committee are of considered opinion that the Ministry of Jal Shakti has now a greater role as overall management of water resources of the country lies with it. Notwithstanding the fact that 'water' is a State subject, the Ministry is mandated to play a centripetal role in ensuring that Ground Water is not excessively utilised as the only alternative for providing access to Safe Drinking Water in the rural areas. The Committee also note that while the NITI Aayog, in its Report on Composite Water Management Index, has stated that only 50 per cent of the Rural Households have access to safe water, the Department of Drinking Water and Sanitation has submitted that more than 80% of the rural habitations are being catered safe drinking water through one or other means. They also note that small, sustainable, single village based Piped Water Supply Schemes are being encouraged for supply of water in rural areas. However, no reply has been furnished with regard to the emphasis on the use of mainly Surface Water for providing water access through piped network in rural areas as Ground Water resources are depleting at an alarming rate due to heavy dependence on it as an assured source of safe water. Expressing their concern over the widespread use of Ground Water, the Committee reiterate that the Surface Water should be increasingly relied upon to cater to drinking water needs of the Rural Areas. The Committee, therefore, desire to be apprised of the measures taken in this regard.

10. Further, as per the submission of the Ministry, while the Schemes involving community contributions are being provided special attention, no information has

been provided on setting up of Community Water Purification Plants in the rural areas. The replies are also silent on the issue of illegal drilling of handpumps which put a further stress on the already shrinking Ground Water resources. The Committee, therefore, recommend the Ministry to take appropriate measures with regard to establishment of Community Water Purification Plants in rural areas and illegal drilling of handpumps and apprise them about the details of such measures taken at the earliest.

11. The Committee also express concern over the fact that no information has been furnished on the measures taken to address the issue of water quality in the Habitations affected with Arsenic and Fluoride contamination. The replies merely state that under the National Aquifer Mapping and Management (NAQUIM) Programme, the Central Ground Water Board (CGWB) is providing technical assistance to States/UTs about the design of Arsenic Free wells. The Committee would like to know whether this technical knowledge is actually being utilized by the States/UTs concerned to design Arsenic free wells and if so what has been the progress/achievement in this connection in the areas affected with Arsenic and Fluoride contamination. The Committee would also like to know whether the Ministry has any collaboration with the Department of Atomic Energy to use the technology available with them for removal of arsenic from water. In the absence of any effective measures to ensure provision of arsenic/fluoride free water to the people in these areas, the Committee, reiterate the need to promote Packaged Drinking Water Industries in the areas severely affected with Arsenic and Fluoride contamination so as to complement the efforts made by the Government to supply Safe and Clean Drinking Water for people residing in such areas. The Committee, therefore, recommend that these Industries should be given incentive by the Government to set up Units/Plants in such areas and provide treated potable water to the masses at an affordable cost. The Committee would like to be apprised of the details of measures taken in this regard at the earliest.

C. GROUND WATER, A CRUCIAL SOURCE FOR URBAN DRINKING WATER SUPPLY

Recommendation (Para No. 3)

12. The Committee noted that as per the Census of India, 2011, although a major portion of Urban Households, i.e., 70.6 per cent had access to tap water; Covered Wells, Uncovered Wells, Handpumps/Tube wells/Borewells still accounted for water supply to 1.65 per cent, 4.50 per cent, 11.86 per cent and 8.90 per cent of Urban Households respectively; highlighting the dependence of Ground Water in Urban Water Supply as well. They were concerned to note the fact that although 93 per cent of urban population had access to

'basic water' as stated by NITI Aayog, large scale intercity and intra city inequities existed in the country which had led to heavy dependence on Privately Extracted Ground Water and thereby, driving down water table in most of the Cities. Ground water table in 21 Major Cities including Delhi, Bengaluru and Hyderabad is expected to reach Zero Level by 2021 affecting access for 100 million people. The Committee further noted that globally Israel had emerged as the largest user of treated and recycled water with 94 per cent of reused water being used. The Committee also noted that the Government had taken several initiatives to provide Universal Water Coverage in 500 Cities (having population greater than one lakh) under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), launched in 2015, such as Rehabilitation of Old Water Supply Systems including Water Treatment Plants, Rejuvenation of Water Bodies and Recharging of Ground Water, etc. However, the Committee, while agreeing with the views of NITI Aayog that recycling/reuse of waste water was the need of the hour, recommended the Ministry to take appropriate measures to reduce dependence on fresh water. In this context, the Committee further recommended that appropriate measures should also be taken to lay separate Pipe Line for Recycled Water and Fresh Water. Further according to the Committee, reduction in intercity and intra city gaps in Urban Water Supply should be made one of the priority components – while providing for universal water coverage in 500 cities under AMRUT. The Committee desired to be apprised of the details of measures taken in this regard.

13. The Ministry in its action taken note has replied as follows:-

"As per the reply by the Ministry of Housing and Urban Affairs, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched by the Central Government on June 25, 2015, for 500 cities and towns across India covering about 22.50 crore population as per census 2011. AMRUT Mission is a Centrally Sponsored Scheme with a total outlay of Rs. 1,00,000 crore including a Central Assistance of Rs. 50,000 crore spread over 5 years i.e., from the Financial Year 2015-16 to Financial Year 2019-20.

Under AMRUT Mission, out of the total plan size of Rs. 77,640 crore, major allocation is for water supply projects worth Rs.39,010 crore (50%) followed by sewerage & septage projects worth Rs.32,456 crore (42%). The Mission focuses on development of basic urban infrastructure in water supply sector in the Mission cities with the expected outcome of universal coverage for access to potable water for every household in Mission cities.

To mitigate the problem in Drinking Water Sector, the water supply component inter-alia, provides for augmentation of existing water supply, rehabilitation of old water supply systems including treatment plants and rejuvenation of water bodies,

specifically for Drinking Water supply and recharging of Ground Water. Recycling/ reuse of waste water, reduction of non-revenue water (difference between the volume of water put into the distribution system and the volume of water billed to consumers) are some of the important features.

This includes end to end solution to facilitate universal coverage of household water supply such as source improvement work, water treatment plants, storage facilities like underground & overhead tanks, distribution network, improvement in pumping machinery and universal metering.

Universal coverage of water supply is the priority sector under the Mission. At the inception of AMRUT, the water supply coverage was 64%. By the end of the Mission, it aims to cover 100% households. The target is to provide 138.77 lakh water tap connection to achieve universal coverage. So far Rs. 31.67 lakh tap connections have been provided. Details of target and achievement in water tap connections are given at Annexure-1 and Annexure-2 respectively.

Out of the total approved water supply projects (in all State Annual Action Plans) of Rs. 39,011 crore, works have been completed for 69 projects worth Rs.303.32 crore and contracts have been awarded for 781 projects worth Rs. 26,110.28 crore. Notice Inviting Tenders (NITs) have been issued for 169 projects worth Rs.8,100.75 crore and Detailed Project Reports (DPRs) for 97 projects worth Rs.3,429.19 crore have been approved."

14. The Committee find that the replies of the Ministry are confined to stating the goals of Centrally Sponsored Scheme of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) along with the details of implementation of Projects/works under the Mission, so far, without furnishing any specific details of the steps taken to reduce the dependence on Fresh Water. AMRUT was launched by the Central Government on 25 June 2015, under the Ministry of Housing and Urban Affairs, for 500 Cities and Towns across the country covering about 22.50 crore population as per the Census 2011 with a total outlay of Rs. 1,00,000 crore including Central Assistance of Rs. 50,000 crore spread over 5 years, i.e., from the Financial Year 2015-16 to 2019-20, with the objective to develop basic urban infrastructure in water supply sector in the Mission Cities with the expected outcome of universal coverage for access to potable water for every household in the Mission Cities. Out of the total Plan size of Rs. 77,640 crore, major allocation is for Water Supply Projects worth Rs.39,010 crore (50%) followed by Sewerage & Septage Projects worth Rs.32,456 crore (42%) under AMRUT. Besides, augmentation of existing water supply, rehabilitation of old water supply systems including Treatment Plants and

rejuvenation of Water Bodies, specifically for Drinking Water supply and recharging of Ground Water, recycling/reuse of waste water and reduction of non-revenue water (difference between the volume of water put into the distribution system and the volume of water billed to the consumers) are some of the important features of AMRUT Mission. The Committee, however, find that no concrete reply has been furnished with regard to the steps taken for laying separate Pipe Line for Recycled Water and Fresh Water. Also, no specific reply has been furnished with regard to the measures taken/proposed to be taken for bridging widespread gaps in the Urban Water Supply both intercity and intra city, which is one of the major problems faced in the Urban areas and need urgent intervention. In view of the Committee, the intended objective of universal coverage for access to potable water for every household in Mission Cities cannot be realized without ensuring judicious use of water by increasing the use of Recycled Water for purposes other than drinking and equitable, consistent and sufficient access to water in all parts of the Cities. The Committee, therefore, reiterate the need to take appropriate measures for laying separate Pipe Line for Recycled Water and Fresh Water. Besides, reduction in intercity and intra city gaps in Urban Water Supply should be made one of the priority components while providing for Universal Water Coverage in 500 cities under AMRUT. The Committee desire to be apprised of the details of measures taken in this regard at the earliest.

D. GROUND WATER AS A RAW MATERIAL FOR PACKAGED DRINKING WATER INDUSTRIES

Recommendation (Para No. 4)

15. The Committee observed that out of 447 Billion Cubic Metre (BCM) of total Replenishable Ground Water available annually, 228 BCM was currently being used in Irrigation while 25 BCM was being used for Domestic, Drinking and Industrial purposes. They further noted that the Central Ground Water Authority (CGWA) constituted in 1997 under subsection (3) of Section 3 of Environment (Protection) Act, 1986 had been entrusted with the responsibility for the Management and Development of Ground Water. It gives No Objection Certificates (NOCs) for abstraction of Ground Water. As per the NOCs issued by the CGWA, Packaged Drinking Water Units/Plants were extracting 13.3 Million Cubic Metres of Ground Water per year. They also observed that Packaged Drinking Water/ Mineral Water Packaging Industries/Bottling Plants were granted permission to extract Ground Water - subject to the recharge obligations stipulated by the CGWA, which was 50 per cent of Ground Water recharge in 'Safe' areas, 100 per cent of Ground Water recharge in 'Semi-Critical' areas and 200 per cent of Ground Water recharge in 'Critical' areas. Further no Industry was allowed to be set up in 'Over-Exploited' areas. Also, additional

measures such as adoption of villages for developing water security plans, plantations suitable for a particular area to enhance the Recharging Capacity and maintenance of Recharge Structures, etc. were suggested to compensate for the depletion of Ground Water. The Industries were directed to implement recharge measures within six months of the issuance of NOC. Besides, the CGWA had Notified 162 Areas where installation of New Ground Water Abstraction structures was not permitted without the prior specific approval of Authorised officers. However, the Committee were perplexed to note that despite the aforesaid stipulations, a large number of licenses had been given in States, where significant number of 'over-exploited' units were lying, such as Andhra Pradesh (having 41 units and 55 m^3 of Ground Water being withdrawn per day), Gujarat (having 24 units with 8 m^3/day withdrawal), Karnataka (having 63 units with 60 m^3/day withdrawal), Tamil Nadu (having 374 units with 895 m^3/day withdrawal) and Uttar Pradesh (having 111 units with 941 m^3/day withdrawal). They further found that multiple Government Agencies / Departments were involved in the issuance of license to Packaged Water Industries such as State Pollution Control Boards (SPCBs); which gave consent to operate, subject to fulfillment of CGWA Guidelines for Water Intensive Industries. Further, in case of Packaged Drinking Water Industries / Plants, the Certifying Agencies are Bureau of Indian Standards (BIS) and the Food Safety and Standards Authority of India (FSSAI). However, the Committee were surprised to note that 18 Packaged Drinking Water Units had been allowed to be set up in 'Semi-Critical' areas of Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and Uttarakhand, with 2552 m^3 of Ground Water being extracted per day. Further 1 unit each in 'Critical' areas of Chhattisgarh, Uttar Pradesh and Uttarakhand had been permitted withdrawing as much as 825 m^3 water per day. The Committee were further surprised to note that despite the huge withdrawals of Ground Water by Packaged Drinking Water Industries, the Ministry had made no effort to find out the total quantum of Ground Water being abstracted by the Packaged Drinking Water Industries as a whole and its impact on the available Ground Water Resources in the areas, as also the effectiveness of measures taken to Recharge the Ground Water as a compensatory measure. The Committee therefore, recommended the Ministry to carry out assessment of total quantum of Ground Water being used by the Packaged Drinking Water Industries and its consequent effect on Ground Water Level in the areas where these Industries had come up on a large scale. The Committee further desired to be apprised of the details of steps taken by the Government in this regard within three months of presentation of this Report to the House.

16. The Ministry in its action taken note has replied as follows:-

> "The No Objection Certificate (NOC) accorded by Central Ground Water Authority (CGWA) for the Packaged Drinking Water Industries are given at Annexure-3. Further, the licenses for these Packaged Drinking Water Industries are being

accorded by Food Safety and Standards Authority of India (FSSAI) and the total quantum of Ground Water use by such Package Drinking Water Industries are available with them. The details in this connection are being sought from FSSAI and shall be submitted. The change in the Ground Water regime in an area is the cumulative impact of Ground Water development by the agriculture, industries, infrastructure, etc. Therefore, it will not be possible to assess impact of Package Drinking Water Units separately in the Ground Water regime. However, it is kindly submitted that Ministry of Water Resources, River Development & Ganga Rejuvenation has revised the guidelines for Ground Water extraction. A new concept of Water Conversation Fee has been introduced to take care of over exploitation of Ground Water. The Water Conservation Fee payable varies with the category of the area, type of industry and the quantum of Ground Water extraction. It is designed to progressively increase from Safe to Over-Exploited areas and from low to high water consuming industries as well as with increasing quantum of Ground Water extraction. The Water Conservation Fee collected shall be used for creation of structures for artificial recharge by States/Union Territories."

17. The Committee are surprised to note that despite being the Authority responsible for Management, Development and Regulation of Ground Water, Central Ground Water Authority (CGWA), as also the Authority responsible for giving 'NOC' for setting up such industries, does not have information on the quantum of Ground Water being used by Packaged Drinking Water Industries. Further, from the details furnished on the total number of 'No Objection Certificates' (NOCs) issued by the CGWA as on 31.03.2018, it is found that a large number of Packaged Drinking Water Industries have been issued NOCs in Andhra Pradesh (24), Maharashtra (33), Tamil Nadu (25) and Uttar Pradesh (53), where several areas have been declared as 'Critical' and 'Semi-Critical" as pointed out by the Committee earlier. The Committee, would like to know if the CGWA does not have information on the total quantity of Ground Water extracted and used by the Packaged Drinking Water Industries, how the NOCs are being issued by it for setting up such industries in the absence of this vital information. The Committee would also like to know about any mandatory water audit carried out by these industries in critical areas and the outcome of such audit. The Committee would, therefore reiterate the formulation of a specific mechanism for assessment of total quantum of Ground Water being used by the industries including the Packaged Drinking Water Industries and its consequent effect on the Ground Water Level in the areas where these Industries have come up on a large scale as also the steps taken for preventing possible misuse of ground water in this as well as other economic activities such as agriculture. The Committee desire to be apprised of all the relevant information at the earliest.

E. Restricting the use of Ground Water for Commercial Purposes

Recommendation (Para No. 5)

18. The Committee further noted that Packaged Drinking Water Units/Plants supplemented the Government's efforts to make Safe Drinking Water available to public. However, the Committee were of the view that the gap between demand and supply of wholesome water for consumption should be bridged largely by Government as a top most prioritized social responsibility and not allow the Industries to exploit this Sector for purely Commercial Gains. Therefore, they recommended the Government to assume a prime role in provision of Clean and Safe Drinking Water. While acknowledging the need for Sustainable Management of Ground Water; which is our 'fixed deposit', vital for catering to increased demand in future, the Committee were of the opinion that the dual goal of making available Safe Drinking Water without allowing rampant use of Ground Water Resources as a raw material, could be achieved by encouraging the setting up of Packaged Water Industries on Public Private Partnership (PPP) basis, thereby ensuring Government's role in utilisation of water in a rational manner on the one hand and provision of safe water in a cost effective manner on the other. The Committee felt that the use of Ground Water, which is in fact a scarce community resource, as a Raw Material, should be regulated in a rational manner and not allowed to be used as a source of profits for industries. Taking note of the Ministry's submission that licensing of Packaged Drinking Water Manufacturing Units may be highly controlled and they must be made to use mostly Surface Water Resources, Raw Water Storage Structures, etc. and Ground Water only as the last resort, duly controlled by the States, the Committee strongly recommended that the use of Ground Water should be restricted and allowed to be used only in exceptional circumstances. The Committee, therefore, recommended the Ministry of Water Resources, River Development & Ganga Rejuvenation to bring necessary changes in Water Policy and the Guidelines accordingly at the earliest without any further delay as this is the most pressing need of the hour.

19. The Ministry in its action taken note has replied as follows:-

"The Ministry has formulated National Water Policy 2012 which inter-alia contains provisions to arrest Ground Water depletion. National Water Policy 2012 contains the following:-

(a) Declining Ground Water levels in Over-Exploited areas may be arrested by introducing improved technologies of water use, incentivizing efficient water use and encouraging community based management of aquifers.

(b) It may be ensured that industrial effluents, local cess pools, residues of fertilizers and chemicals, etc., should not reach the Ground Water.

To ensure a more robust Ground Water regulatory mechanism, the existing Guidelines of Central Ground Water Authority (CGWA) have been revised. The Guidelines have been drafted after wide public consultation and modifications based on the feedback received from the stake-holders. The salient features of the Guidelines include:-

(a) Pan India applicability.
(b) Introduction of Water Conservation Fee (WCF):
- *based on type of industry,*
- *quantum of extraction and*
- *category of the area.*

(c) Mandatory requirement of digital flow meters, piezometers and digital water level recorders (with or without telemetry depending upon quantum of extraction).

(d) Mandatory water audit by industries abstracting ground water of 500 m^3/day or more in Safe and Semi-Critical and 200 m^3/day or more in Critical and Over-Exploited assessment units.

(e) Mandatory roof top rain water harvesting except for certain specified industries.

(f) Measures to be adopted to ensure prevention from pollution in the plant premises of polluting industries/ projects.

(g) Exemption from requirement of NOC has been given to:

- *agricultural users,*
- *users employing non-energised means to extract water,*
- *individual households (using less than 1" diameter delivery pipe), and*
- *Armed Forces Establishments during operational deployment or during mobilization in forward locations.*

(h) Exemption (with certain requirements) has been granted to -

- *Strategic and operational infrastructure projects for Armed Forces*
- *Defence and Paramilitary Forces Establishments*

- *Government water supply agencies*

CGWA has proposed payment of Water Conservation Fee (WCF) for Ground Water extraction by industries, infrastructure units and mining projects. The WCF payable varies with the category of the area, type of industry and the quantum of Ground Water extraction and is designed to progressively increase from Safe to Over-Exploited areas and from low to high water consuming industries as well as with increasing quantum of Ground Water extraction.

The Water Conservation Fee thus collected shall be made available to the concerned States / UTs to be used for implementation of artificial recharge measures and creating awareness among the users on water conservation."

20. The Committee observe that the National Water Policy, 2012 enunciates Policy Measures for arresting the depleting Ground Water resources. However, in view of the Committee, the extant National Water Policy has not been an effective instrument in addressing the specific issue of Commercial Use of Water for private gains without any obligation to pay for the use of the Raw Material, i.e., water, which is freely available. The Committee earnestly consider that emphasis should be given to restrict the use of Ground Water, which is in fact a scarce community resource, as a raw material, and should not be allowed to be used as a source of profit for the Industries. In this regard, the Committee note that the existing Guidelines of the Central Ground Water Authority (CGWA) have been revised. As per the revised Guidelines, installation of digital flow meters, piezometers and digital water level recorders have been made mandatory. Also, the Water Audits have been made mandatory in respect of industries abstracting 500 m^3/day or more of Ground Water in Safe and Semi-Critical and 200 m^3/day or more in Critical and Over-Exploited assessment units *(except for certain specified industries)* besides mandatory roof top rain water harvesting. Further measures need to be adopted to ensure prevention from pollution in the plant premises of polluting industries/ projects. CGWA has also proposed payment of Water Conservation Fee (WCF) for Ground Water extraction by the Industries, Infrastructure Units and Mining Projects. The WCF payable will vary with the category of the area, type of industry and the quantum of Ground Water extraction and is designed to progressively increase from Safe to Over-Exploited Areas and from low to high water consuming Industries as well as with increasing quantum of Ground Water extraction. The Committee are of the opinion that while adoption of the above stated measures will certainly help in preventing the excessive extraction of Ground Water, it may also result in price escalation of Packaged Drinking Water for the end consumers. Therefore, there is an urgent need to devise a policy on Commercial Uses of Water *(encompassing both Ground as well as Surface water)*, to ensure that there is no reckless use of water which is the basic input for

survival of life and a free community resource. The Committee are also of the view that since provision of cheap and safe Drinking Water to the masses is one of the primary responsibilities of the Government, it should play a pivotal role in supply of Packaged Drinking Water as well. With no specific reply submitted in respect of the Committee's recommendation that setting up of the Packaged Drinking Water Industries on Public Private Partnership (PPP) basis will ensure primary role of the Government in supply of cheap and Safe Drinking Water without causing its unnecessary wastage, the Committee again recommend the establishment of Packaged Drinking Water Industries on PPP basis with the Government playing a key role in sourcing of water and utilization of water in a rational manner. Besides, the Committee also desire that appropriate policy should be framed for Commercial Use of Water which has not been appropriately addressed in the extant National Water Policy.

F. LICENSING CONDITIONS FOR SETTING UP PACKAGED DRINKING WATER INDUSTRIES

Recommendation (Para No. 8)

21. The Committee noted that major Water Intensive Industries are Tanneries, Paper and Pulp, Textile, Breweries and Soft drinks, Dairy and Dairy products, Steel Mills, Thermal Power Plants, Fertilisers, Sugar industries, Distilleries and Packaged Drinking Water Industries, etc. They further noted that these Industries used Surface Water, Ground Water and Municipal Water. However, Ground Water contributed 35 per cent of total water requirement of these Industries. The Committee also noted that a total of 375 NOCs had been issued to the Packaged Drinking Water Industries. They further noted that specific Standards had been prescribed by Bureau of Indian Standards (BIS) for Packaged Natural Mineral Water and Packaged Drinking Water. Further Sub-Regulations 2.10.7 of the FSSAI defines Mineral Water and its types. All Food Business Operators engaged in the production / sale / Distribution of Mineral Water/Packaged Drinking Water have to follow the Standards of Mineral Water and Packaged Drinking Water as prescribed under Regulation 2.10.7 and 2.10.8 of Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011. Also, FSSAI grants Licenses and Registrations to units engaged in the production of Packaged Drinking Water and Mineral Water, as per the provisions and conditions prescribed in the FSS Act, 2006, Rules and Regulations made there under and the proposed installed capacity of the Industrial Units who apply for the License. The Committee, however, noted that while FSAAI granted license to all Packaged Drinking Water and Mineral Water Units/Plants on the basis of the provisions laid down under the Food Safety and Standards (Licensing and Registration of Food Business Regulations, 2011), wherein procedure, requirement of documents and Conditions of License were

prescribed and also on the basis of the NOC from the CGWA (since 15.03.2017), it did not check the source of water, which would be used by the Project proponent. The Committee felt that in order to check the rampant use of Ground Water by the Water Intensive Industries, especially Packaged Drinking Water industries, in whose case, FSSAI was the Licensing Authority, it was imperative that source of water might also be added as additional criterion for issuing Licenses. This condition would ensure that new Packaged Drinking Water/Mineral Water units/plants were established on the basis of mainly Surface Water Source. The Ground Water, as a raw material for use by the industries might be allowed only in such areas where there was plenty of supply of Ground Water and was being constantly recharged naturally such as areas receiving heavy rainfall. The Committee recommended the Ministry of Water Resources, River Development & Ganga Rejuvenation to accordingly take up this matter with the FSSAI, under the Ministry of Health & Family Welfare for amending the conditions for giving License at the earliest.

22. The Ministry in its action taken note has replied as follows:-

"As per information furnished by Ministry of Health & Family Welfare (MoH&FW), the licenses to the Food Business Operators are being issued as per the provisions laid down in the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011. These Regulations, inter-alia, prescribe the procedure, requirement of documents and conditions of License to obtain a License as provided under Section 31 of Food Safety and Standards Act.

With a view to check the rampant use of Ground Water by the Water Intensive Industries, FSSAI had issued an Order (dated 15.03.2017) insisting on requirement of NOC from CGWA , pursuant to a decision taken in a Meeting of 'Inter-Ministerial Committee' held on 9th February 2017, wherein, the NOC from CGWA was mandated for all Packaged Drinking Water Units. The said Order was subsequently amended by FSSAI, in consultations with CGWA, vide Order dated 02.01.2018, wherein, it has been mandated vide condition No. 1(iii) that "In so far as grant of FSSAI License to new industries (extracting ground water) located in the 1034 Over-Exploited areas is concerned, no such requests shall be considered by FSSAI without NOC from CGWA.

Thus, use of Ground Water source is already being reckoned as a factor while considering grant of license and information about source of water is being obtained for the purpose. However, as recommended by the Committee that source of water may also be added as additional criterion for issuing

Licenses, the same will be duly incorporated as a condition in the proposed new regulations for licensing and Registration of food businesses.

Further, Ministry of Water Resources, River Development & Ganga Rejuvenation has revised the Guidelines for Ground Water extraction. A new concept of Water Conversation Fee has been introduced to take care of over exploitation of Ground Water. The Water Conservation Fee payable varies with the category of the area, type of industry and the quantum of Ground Water extraction. It is designed to progressively increase from safe to over-exploited areas and from low to high water consuming industries as well as with increasing quantum of Ground Water extraction."

23. The Committee are happy to note that the use of Ground Water source is already being reckoned as a factor while considering the grant of license by the Food Safety and Standards Authority of India (FSSAI) since 2.01.2018, in so far as grant of FSSAI license to new industries *(extracting Ground Water)* located in the 1034 Over-Exploited areas is concerned. Further, FSSAI will not even consider any request for issuing license to industries extracting Ground Water, without NOC from the CGWA. Besides, the source of water is also proposed to be added as an additional criterion for issuing licenses and the same will be duly incorporated as a condition in the proposed new Regulations for Licensing and Registration of Food Businesses. However, no specific information has been furnished about the time period by which the Regulations for Licensing and Registration of Food Businesses will be amended to incorporate 'Source of Water' as an additional criterion. Therefore, the Committee again recommend the Ministry to pursue the matter with the FSSAI, under the Ministry of Health & Family Welfare for amending the conditions for giving License, at the earliest, under intimation to the Committee.

G. PRICING OF PACKAGED DRINKING WATER

(Recommendation Para No. 10)

24. The Committee noted that a large number of Packaged Drinking Water Units had been set up in the country whose profits had run into billions of Rupees. However, they were surprised to note that no study/assessment had been carried out by the Government with regard to the total earnings of these Industries, on the plea that this matter did not fall under the purview of the Ministry of Water Resources, River Development & Ganga Rejuvenation. The Ministry had only requested the States to adopt an appropriate Pricing Policy in respect of the Packaged Drinking Water/Beverage and Bottling industries. Moreover, the Ministry had not been able to furnish the information on the total amount of

revenue received by the State Government from these industries. Since water is free commodity, which should be accessible to all, the Committee found the reply of the Ministry with regard to pricing of the Packaged Drinking Water very terse, that it was based on the demand and supply side forces. Although the Ministry had accepted the fact that it was the bounden duty of the Government to provide Safe and Pure Drinking Water to the people at large, the Ministry had distanced itself from any role in this regard, citing water as a State subject and therefore its pricing fell under the purview of the State Government. The Committee, while disapproving of this attitude, recommended the Ministry to coordinate with the Ministry of Micro, Small and Medium Enterprises and the Ministry of Finance, Department of Revenue for a proper study/assessment of the income/profit earned by the Packaged Drinking Water Industries to enable formulation of appropriate Pricing Policy - in respect of Commercial Use of Water by Water Intensive Industries, including the Packaged/Bottled Water Industries. Further, in view of the Committee, at present, utilisation of water as a Free Raw Material for the Commercial Purposes had grown due to lack of inter-ministerial coordination on this issue. Therefore, the Committee believed that there was an urgent need to formulate a National Policy about the Commercial Use of Water, laying down the proper framework and regulatory measures for better control of the Water Intensive Industries. They, therefore, strongly recommended the Government to chalk out a policy in consultation with all the concerned Ministries/Departments. They also desired to be apprised of the details of measures taken to ensure a congruent policy approach to address the issue of Commercial Use of water and its impact within three months of presentation of this Report to the House.

25. The Ministry in its action taken note has replied as follows:-

"The National Water Policy 2012 inter-alia recommends -

- *Equitable access to water for all and its fair pricing, for drinking and other uses such as sanitation, agricultural and industrial, be arrived at through independent statutory Water Regulatory Authority, set up by each State, after wide ranging consultation with all stakeholders.*

- *Recycling and reuse of water, after treatment to specified standards, also needs to be incentivized through a properly planned tariff system.*

- *Allow Industries in water short regions to either withdraw only the make-up water or have an obligation to return treated effluent to a specified standard back to the hydrologic system.*
- *Implement subsidies and incentives to encourage recovery of industrial pollutants and recycling/reuse.*

As per the revised Guidelines of Ground Water extraction of CGWA, likely to be notified soon, there is a provision of charging of Water Conservation Fee (WCF) for Ground Water extraction by industries, infrastructure units and mining projects. The WCF payable varies with the category of the area, type of industry and the quantum of Ground Water extraction. It is designed to progressively increase from Safe to Over-Exploited areas and from low to high water consuming industries as well as with increasing quantum of Ground Water extraction.

Thus, WCF, to a great extent, is likely to address the concern expressed by the Committee about the Ground Water exploitation of Industries for their profit earning."

26. From the submissions made by the Ministry, the Committee find that the Ministry has simply stated the recommendations of National Water Policy, 2012 with regard to the pricing of water, which were however, not implemented effectively, so far. Water continues to be a Free Raw Material with almost negligible cost imposed on its use in commercial activities. Now, the Ministry has proposed the introduction of Water Conservation Fee as per the revised Guidelines for Ground Water abstraction, which is being relied upon to discourage Ground Water exploitation by the industries for their profit earning. Also, the replies lack specific information on the steps taken by the Ministry to study the revenue/profit generated by the industries engaged in the production of Packaged Water, which is a pre-requisite for devising an appropriate policy on the Commercial Use of Water. Since Packaged Drinking Water is widely perceived to be the safest water available for consumption, its pricing should be appropriately governed to ensure not only cheap and safe water availability but also the genuine cost to be borne by the supplier for using water as a raw material which is a community resource. Such industries should not be allowed to run solely with motives to maximize profits of the entrepreneurs as the raw material, i.e., water being used by these companies is a natural resource. The Committee feel that the spurt in the growth of Industries selling Packaged Drinking Water has been facilitated by the lack of a coordinated approach to regulate the sector. The Committee feel that there is an urgent need for framing a policy for regulation of water use for commercial purposes. Therefore, the Committee again recommend the Government to study the profitability of Packaged Drinking Water Industries and apprise the Committee about all its finer details. The Committee also recommend the Ministry to chalk out a policy in consultation with all the Ministries/Departments concerned to enable the formulation of a National Policy on the Commercial Use of Water, laying down proper framework and effective regulatory mechanism for proper control of the Water Intensive Industries. The Committee

would also like to be apprised of the details of measures taken in this regard at the earliest.

H. MONITORING OF THE QUALITY OF PACKAGED DRINKING WATER

(Recommendation Para No. 11)

27. The Committee noted that during the three year period from 1 April, 2013 to 30 September, 2016, out of 20,224 samples of Packaged Drinking Water drawn for testing, water quality was not found upto the mark in case of 3,384 samples. With regard to the cases of violation noticed in samples of Packaged Natural Mineral Water, out of 145 samples drawn, 10 samples had failed. The main reason for water quality not being upto the mark was failure in Chemical and Micro-biological parameters. However, the Committee were surprised to note that action was taken only in 752 cases - where marking was stopped, 9 cases in which licenses were not renewed and 49 cases where licenses were cancelled. With regard to violations reported in quality of Packaged Natural Mineral Water, marking was stopped only in 10 cases and in 1 case only license was cancelled. The Committee further noted that implementation and enforcement of Food Safety and Standard Act 2006 was being done primarily by the officials of Food Safety Departments of respective State/Union Territory Governments; who checked compliance with the Standards laid down under the Act. Further all Food Business Operators (FBOs) were required to ensure frequent testing of Food Products as per the Point no. 12 of Licensing Conditions mentioned under Annexure-3 of Food Safety and Standards (Licensing and Regulation of Food Businesses) Regulations, 2011. Besides, FSSAI had started a Safe Water Portal wherein Test Reports of water samples based on license number given by the FSSAI, test results uploaded by FBOs, regulatory tests conducted by the State enforcement agencies and test results of water samples conducted by BIS were uploaded. Apart from this, the Department of Consumer Affairs also conducted periodic surprise visits to the licensees' premises, testing of factory samples and market samples and verification of corrective actions taken by the manufacturers to ensure good quality of water. The Committee also noted that BIS had been maintaining quality of ISI marked products under the Bureau of Indian Standards (BIS) (Certification) Regulations, 1988 and as per the relevant notification of the Ministry of Health and Family Welfare.

Having noted the multiple Agencies/Departments of both Central and State Governments, involved in the monitoring of the quality of water supplied through Bottles/Packaged, the Committee were perturbed to find that still a number of cases of Below Standard Quality Water being packaged and sold in the market, had been reported. Expressing their strong displeasure over action taken against violators only in few cases, the Committee

recommended that more stringent actions needed to be taken to ensure good quality of Packaged Water - for which quite a hefty amount is shelled out by the public. Keeping in view the sporadic incidences of poor quality water being packed and sold as Pure Drinking Water resulting in health hazards for the common public, the Committee, recommended the Ministry to set up a robust Monitoring Mechanism to catch hold of the spurious water being supplied in the market in the form of Packaged Water. For this, both the Food Safety Departments of State/Union Territories Government and BIS should be more vigilant. They further desired to be apprised of the details of total number of violations noticed, action taken along with the amount raised by way of penalty imposed in respect of Packaged Water Industries during the last ten years and also as on 31st July, 2018.

28. The Ministry in its action taken note has replied as follows:-

"Ministry of Health & Family Welfare has intimated that Standards for Packaged Mineral Water and Packaged Drinking Water (other than Mineral Water) are covered under sub-regulation 2.10.7 and 2.10.8 of Food Safety & Standards (Food Products & Food Additives) Regulations, 2011 respectively and compliance to these standards is mandatory for any Packaged Drinking Water manufacturer in the country. These products are also under mandatory certification of BIS. Further, as per sub-regulations 2.3.14 (17) & 2.3.14 (18) of Food Safety and Standards (Prohibition and Restriction on sales) Regulations, 2011 'No person shall manufacture, sell or exhibit for sale Packaged Drinking Water and Mineral Water except under the Bureau of Indian Standards Certification Mark'.

To ensure compliance of these provisions, regular surveillance, monitoring, inspection and random sampling is being done by the Officials of Food Safety Departments of the respective States/UTs. In cases, where food samples are found to be non-conforming, recourse is taken to penal provisions under Chapter IX of the FSS Act, 2006 which provides both penalty and/or conviction with imprisonment of minimum six months and up to life term.

To strengthen the enforcement machinery, FSSAI is regularly pursing the matter with the States/UTs. The strengthening of institutional gaps and building up of capacities was highlighted in the Round Table Conference held with Health Secretaries and Health Ministers of States/UTs on 8-9th January, 2018. All were requested and impressed upon to fill the gaps in manpower and enforcement infrastructure. Recently, FSSAI wrote a letter dated 27th June, 2018 to Chief Secretaries of all States/UTs to look into the matter for creation/filling up the posts of Designated Officers and Food Safety Officers

as per norms to fill up the gap and remove shortage of regulatory staff. It has been impressed upon that for effective compliance and enforcement and to ensure food safety of citizens and regulatory compliance, adequate manpower must be deployed. Further, FSSAI has issued a direction to States/UTs fixing the enhanced targets of food samples to be collected and analyzed in the food laboratories.

As per reports received from States/UTs, the number of Packaged Drinking Water/Mineral Water samples analyzed and action taken thereon during the years 2014-15, 2015-16, 2016-17 and 2017-18 for which information is available has been given at Annexure 4. Information as on 31st July, 2018 is still to be received from the States/UTs. It may be mentioned that Food Safety Standards Regulations pertaining to Packaged Drinking Water and Mineral Water came into existence only in the year 2011.

As per information received from Bureau of Indian Standards (BIS), the total number of violation noticed during the period 2008-09 to 2017-18 is 511 (approx.).

Total amount of penalty imposed during the period 2008-09 to 2017-18 is Rs. 55,03,500.00 (approx.)"

29. The Committee note that as per the Food Safety and Standards (Prohibition and Restriction on Sales) Regulations 2011, manufacturing or selling Packaged Drinking Water and Mineral Water is not allowed except under the Bureau of Indian Standards Certification Mark. The Committee further note that the total number of violations noticed during the period 2008-09 to 2017-18 is 511 and a penalty of Rs. 55,03,500.00 (approx.) has been imposed. Further, regular Surveillance, Monitoring, Inspection and random Sampling are being done by the Officials of Food Safety Departments of the respective States/UTs to ensure strict compliance of these provisions. Besides, FSSAI has also communicated to the Chief Secretaries of all States/UTs on 27 June, 2018 to look into the matter for creation/filling up the posts of Designated Officers and Food Safety Officers as per the norms to fill up the gap and remove the shortage of Regulatory Staff. However, the Committee find that there were very few convictions as against the number of violations reported during each of the last five years, i.e., from 2014-15 to 2017-18 with 16 convictions out of 226 cases in 2014-15, 39 convictions out of 345 cases in 2015-16, 33 convictions out of 224 cases in 2016-17 and 97 convictions out of 504 cases in 2017-18. The Committee, therefore, are of the view that urgent measures should be initiated to strengthen the monitoring Staff in the States/UTs to address the problem of low quality water being

sold in the market in the name of Packaged Water and causing serious health hazards. The Committee would, therefore, recommend the Ministry to take initiative in setting up a robust Monitoring Mechanism in consultation with the Ministry of Health & Family Welfare and State/UT Governments to ensure selling of Packaged Drinking Water/Mineral Water as per the Standards for Packaged Mineral Water and Packaged Drinking Water prescribed under the Food Safety & Standards (Food Products & Food Additives) Regulations, 2011. The Committee would also like to be apprised of the details of action taken in this regard.

I. NATIONAL POLICY ON COMMERCIAL USE OF WATER

(Recommendation Para No. 12)

30. The Committee observed that no specific policy had been framed in respect of the Commercial utilisation of water which was growing tremendously due to the lack of adequate supply of good quality water commensurate with demands of rising population. With regard to the use of Ground Water in Industries; which is comparatively easily available, there is only CGWA laid Guidelines - which have to be followed for extraction by all the Water Intensive Industries viz. Packaged Drinking Water, Beverages, Breweries, Distilleries, etc. The quality issues in Packaged Drinking Water are governed by the FSSAI Rules and Regulations. The Committee further observed that the National Water Policy, 2012 states "(a) A system to evolve benchmarks for water uses for different purposes, i.e., water footprints, and water auditing should be developed to promote and incentivize efficient use of water, (b) The Project appraisal and environment impact assessment for water uses, particularly for Industrial Projects, should, *inter-alia*, include the analysis of the water footprints for the use, (c) Recycle and reuse of water, including return flows, should be the general norm, (d) In order to meet equity, efficiency and economic principles, the water charges should preferably/as a rule be determined on volumetric basis. Such charges should be reviewed periodically, and (e) Recycle and reuse of water, after treatment to specified standards, should also be incentivized through a properly planned tariff system."

Although, as per the submission of the Ministry, para 7 of the National Water Policy, 2012 suggests specific action plans for Industrial use of water such as demand management, water use efficiency and water pricing, the Committee found that it did not state specific measures for regulation of Commercial Use Of Water. As stated earlier, the Committee were of the view that a proper National Policy needed to be formulated with regard to Regulation of Commercial use of Water encompassing inter-alia, such aspects as specific Commercial Use of water, particular source of water to be used, quantum of water, appropriate pricing, taxation of commercial gains made by using water, the specific social and environmental obligations of Industries, etc. Also, as a corporate social responsibility

the industries should be actively involved in participation of such activities as adoption of Water Bodies for maintenance, installation of Community RO/Water Purification Plants in the villages, recycling/reusing of Bottles used for Packaging, etc. They, therefore, recommended the Ministry to frame a Policy accordingly within three months of presentation of this Report.

31. The Ministry in its action taken note has replied as follows:-

"The National Water Policy 2012 inter-alia recommends -

- *Equitable access to water for all and its fair pricing, for drinking and other uses such as sanitation, agricultural and industrial, be arrived at through independent statutory Water Regulatory Authority, set up by each State, after wide ranging consultation with all stakeholders.*

- *Recycling and reuse of water, after treatment to specified standards, also needs to be incentivized through a properly planned tariff system.*

- *Allow Industries in water short regions to either withdraw only the make-up water or have an obligation to return treated effluent to a specified standard back to the hydrologic system.*

- *Implement subsidies and incentives to encourage recovery of industrial pollutants and recycling/reuse.*

The Ministry of Water Resources, River Development & Ganga Rejuvenation (MoWR, RD & GR) has revised the existing Guidelines for Ground Water abstraction. These Guidelines have the provision of Water Conservation Fee (WCF) which shall be collected from the industrial establishments against usage of Ground Water. The Water Conservation Fee collected from proponents in a State/UT shall be made available to the concerned States/ UT to be used for facilitating measures for sustainable and efficient management of water resources depending on the prevalent hydro-geological scenario, land use and agricultural practices. These interventions could range from implementation of water conservation/artificial recharge measures, promotion of Micro-Irrigation practices through subsidies, encouraging change in cropping pattern to less-water consuming crops to incentivizing good Ground Water management and water governance practices, coupled with mass awareness and capacity building campaigns. The proposed mechanism is expected to help States/UTs implement large scale water

conservation/artificial recharge schemes in priority areas in a focussed and scientific manner to ensure optimal benefits and will allay the concerns of the Hon'ble Committee to a large extent."

32. The Committee note that the replies of the Ministry have not adequately addressed the issue of fair pricing, recycling and reuse of water, obligation for industries to either withdraw the make-up water or have an obligation to return the treated effluent to a specified standard back to the hydrological system and implementation of subsidies and incentives to encourage the recovery of industrial pollutants and recycling/reuse. The Committee further note that the revision of Guidelines for abstraction of Ground Water and proposed imposition of Water Conservation Fee is being solely relied upon to prevent the commercial exploitation of water for private gains. However, no time line has been specified for implementation of the proposed measure. Although, the Ministry has proposed to levy Water Conservation Fee which would serve as a deterrent and also contain the reckless withdrawal of Ground Water, the Committee believe that the issue of commercial exploitation of water cannot be addressed effectively by merely imposing a Fee. Water being the primary input, needed for survival which is becoming increasingly scarce, its commercial use need to be properly governed and regulated with adequate compensation for its use by the Industries. Therefore, as stated at Paragraph No. 6 earlier, the Committee are of the considered view that in addition to the proposed measures for change in Guidelines and imposing Water Conservation Fee, the Ministry should also chalk out a well coordinated Policy for better regulation of water use by the Industries including Packaged Drinking Water Industries for all commercial purposes.

CHAPTER - II

OBSERVATIONS / RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1)

EMERGENCE OF PACKAGED DRINKING WATER AS A CRUCIAL SOURCE FOR BRIDGING THE GAP BETWEEN RISING DEMAND FOR PURE AND SAFE DRINKING WATER AND DWINDLING SUPPLY

From the submissions made before the Committee, the Committee note that with rising population and increasing Industrialisation and Urbanisation, the demand for Safe and Pure Drinking Water has gone up significantly. They note that by 2030, the country's water demand is projected to be twice the available supply and by 2050, the per capita availability of water is estimated to go down to 1140 m3/year from 1545 m3/year in 2011. They further note that Industry and Energy Sectors, combined, constitute the second largest consumer of water in the country. Further growth in Water Intensive Industries has been quite significant putting more pressure on the availability of water. Against this backdrop, the Committee are distressed to note the Ministry's submissions that Industrial Clusters in various parts of the country have been established often without due regard to the availability of assured water supply; which has further compounded the problem of scarcity of water and has led to increased stress on the Local Ground Water Resources in terms of quality and quantity. Such unabated growth in Water Intensive Industries along with increasing population have resulted in adverse environmental and socio-economic effects such as significant long term decline in Ground Water Levels, deterioration in water quality, degradation of large tracts of land and rising conflicts amongst different stakeholders. While expressing their concern over rapidly shrinking water resources unable to cater to the demand of rising population, the Committee feel that there is an urgent need to device a proper policy framework to address the socio-economic consequences arising out of reckless and uncontrolled use of water for purely Private Commercial Gains.

Reply of the Government

Central Ground Water Authority CGWA), constituted under the Environment (Protection) Act of 1986 has the mandate of regulating ground water development and management in the country. With a view to facilitate sustainable development of ground water and to ensure that necessary mechanisms are put in place to a) optimise ground water extraction, b) ensure implementation of water conservation / augmentation measures and d) monitor

ground water quality and prevent its contamination due to effluents, CGWA has been granting No Objection Certificates (NOCs) with mandatory conditions and directions for ground water withdrawal by industries, infrastructure units and mining projects since 1999 in States/UTs which either do not have functional Ground Water Authorities or do not regulate ground water development through Government orders. The guidelines have evolved over time from simple directions to more inclusive and comprehensive guidelines with mandatory conditions for ground water augmentation and prevention of contamination.

To ensure a more robust ground water regulatory mechanism and to address various shortcomings in the existing guidelines including those related to implementation of recharge conditions, the Ministry of Water Resources, RD & GR (MoWR, RD & GR) has revised the existing guidelines for ground water abstraction. These guidelines have the provision of Water Conservation Fee (WCF) which shall be collected from the industrial establishments against usage of ground water. The Water Conservation Fee collected from proponents in a State/ UT shall be made available to the concerned States / UT to be used for facilitating measures for sustainable and efficient management of water resources depending on the prevalent hydrogeological scenario, land use and agricultural practices. These interventions could range from implementation of water conservation/ artificial recharge measures, promotion of micro-irrigation practices through subsidies, encouraging change in cropping pattern to less-water consuming crops to incentivizing good ground water management and water governance practices, coupled with mass awareness and capacity building campaigns. The proposed mechanism is expected to help States / UTs implement large scale water conservation / artificial recharge schemes in priority areas in a focussed and scientific manner to ensure optimal benefits.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para No.5 & 6 of Chapter –I of the Report)

Recommendation (Para No. 6)

GROUND WATER AS A RAW MATERIAL FOR PACKAGED DRINKING WATER INDUSTRIES

Further taking note of the fact that Ground Water has emerged as a major source to meet the water requirement of Industries, largely due to its wide availability and Private Ownership, the Committee are of the view that it is high time that 'the India Easement Act, 1882' which provides for right to extract Ground Water, be amended at the earliest in view

of the present and future scenario to meet the expected increase in the demand of water. The Committee further recommend strongly that the 'Water (Prevention and Control of Pollution) Cess Act, 1977' providing for levying and collection of a Cess on water consumed by persons carrying on certain Industries should be appropriately amended to discourage wastage of water. They would like to be apprised of the details of the measures taken in this regard at the earliest.

Reply of the Government

Regarding amendment of the 'India Easement ACT, 1882', it is submitted that the suggestion is noted and the same is being referred to the concerned Ministry for appropriate action.

The Ministry of Water Resources, River Development & Ganga Rejuvenation has revised the guidelines for ground water extraction. A new concept of water conversation fee has been introduced to take care of over exploitation of ground water. The Water Conservation Fee payable varies with the category of the area, type of industry and the quantum of ground water extraction. It is designed to progressively increase from safe to over-exploited areas and from low to high water consuming industries as well as with increasing quantum of ground water extraction. Thus, the Water Conservation Fee will act as a deterrent against wastage of water.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Recommendation (Para No. 7)

CONTAMINATION OF GROUND WATER BY THE PACKAGED WATER INDUSTRIES

The Committee observe that Central Ground Water Board (CGWB) has conducted a study of 88 Industrial Clusters to ascertain the impact of Industries on the underground 51 water quality. They observe that many chemical constituents have been found to be in excess of permissible limits in case of such Industries as Pharmaceutical, Petroleum, Leather, Tanneries, Electroplating units, Coal and Oil Combustion in Power Plants, Fertilisers, etc. The most common ions found beyond permissible units are Chloride and Nitrates. The Committee note from the submissions made by the Food Safety and Standards Authority of India (FSSAI) that in case of Mineral Water Processing Plants, contamination may occur as a result of reverse-osmosis; which releases concentrates into Ground Water and increases its hardness. However, they are perturbed to note that no study to this effect so far has been conducted by the CGWB. It has only carried out exploratory drilling to delineate contaminant free aquifer zones and successful exploratory wells and thereafter handed over these to the concerned Agencies in the States for utilisation.

Taking note of the fact that Packaged Drinking Water Industry has thrived in the country as a result of increased demand and their consequent use of Ground Water as raw material is increasing rapidly, the Committee recommend the Government to undertake a study on the impact of proliferation of Packaged Drinking Water Industries on Ground Water Quality.

Reply of the Government

The suggestion given by the Committee is noted for compliance. CGWB is being directed to undertake a study in this connection in consultation with Central Pollution Control Board (CPCB) and forward the report by 28th February, 2019.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Recommendation (Para No. 8)

LICENSING CONDITIONS FOR SETTING UP PACKAGED DRINKING WATER INDUSTRIES

The Committee note that major Water Intensive Industries are Tanneries, Paper and Pulp, Textile, Breweries and Soft drinks, Dairy and Dairy products, Steel Mills, Thermal Power Plants, Fertilisers, Sugar industries, Distilleries and Packaged Drinking water 52 industries, etc. They further note that these Industries use Surface Water, Ground Water and Municipal Water. However, Ground Water contributes 35 per cent of total water requirement of these Industries. The Committee also note that a total of 375 NOCs have been issued to the Packaged Drinking Water industries. They further note that specific Standards have been prescribed by Bureau of Indian Standards (BIS) for Packaged Natural Mineral Water and Packaged Drinking Water. Further Sub-Regulations 2.10.7 of the FSSAI defines Mineral Water and its types. All Food Business Operators engaged in the production / sale / Distribution of Mineral Water / Packaged Drinking Water have to follow the Standards of Mineral Water and Packaged Drinking Water as prescribed under Regulation 2.10.7 and 2.10.8 of Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011. Also, FSSAI grants Licenses and Registrations to units engaged in the production of Packaged Drinking Water and Mineral Water, as per the provisions and conditions prescribed in the FSS Act, 2006, Rules and Regulations made there under and the proposed installed capacity of the Industrial Units who apply for the License. The Committee, however, note that while FSAAI grants licence to all Packaged Drinking Water and Mineral Water Units / Plants on the basis of the provisions laid down under the Food Safety and Standards (Licensing and Registration of Food Business Regulations, 2011),

wherein procedure, requirement of documents and Conditions of License are prescribed and also on the basis of the NOC from the CGWA (since 15.03.2017), it does not check the source of water, which will be used by the Project proponent. The Committee feel that in order to check the rampant use of Ground Water by the Water Intensive Industries, especially Packaged Drinking Water industries, in whose case, FSSAI 53 the Licensing Authority, it is imperative that source of water may also be added as additional criterion for issuing Licenses. This condition will ensure that new Packaged Drinking Water / Mineral Water units / plants are established on the basis of mainly Surface Water Source. The Ground Water, as a raw material for use by the industries may be allowed only in such areas where there is plenty of supply of Ground Water and is being constantly recharged naturally such as areas receiving heavy rainfall. The Committee recommend the Ministry of Water Resources, River Development & Ganga Rejuvenation to accordingly take up this matter with the FSSAI - which is under the Ministry of Health & Family Welfare for amending the conditions for giving License at the earliest.

Reply of the Government

As per information furnished by Ministry of Health & Family Welfare (MoH&FW), the licenses to the Food Business Operators are being issued as per the provisions laid down in the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011. These Regulations, inter-alia, prescribe the procedure, requirement of documents and conditions of license to obtain a license as provided under Section 31 of Food Safety and Standards Act.

With a view to check the rampant use of ground water by the water intensive industries, FSSAI had issued an Order (dated 15.03.2017) insisting on requirement of NOC from CGWA , pursuant to a decision taken in a Meeting of 'Inter-Ministerial Committee' held on 9th February 2017, wherein, the NOC from CGWA was mandated for all Packaged Drinking Water Units. The said Order was subsequently amended by FSSAI, in consultations with CGWA, vide Order dated 02.01.2018, wherein, it has been mandated vide condition No. 1(iii) that "In so far as grant of FSSAI license to new industries (extracting ground water) located in the 1034 over-exploited areas is concerned, no such requests shall be considered by FSSAI without NOC from CGWA".

Thus, use of ground water source is already being reckoned as a factor while considering grant of licence and information about source of water is being obtained for the purpose. However, as recommended by the Committee that source of water may also be added as additional criterion for issuing Licenses, the same will be duly incorporated as a condition in the proposed new regulations for licensing and Registration of food businesses.

Further, Ministry of Water Resources, River Development & Ganga Rejuvenation has revised the guidelines for ground water extraction. A new concept of water conversation fee has been introduced to take care of over exploitation of ground water. The Water

Conservation Fee payable varies with the category of the area, type of industry and the quantum of ground water extraction. It is designed to progressively increase from safe to over-exploited areas and from low to high water consuming industries as well as with increasing quantum of ground water extraction.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para No. 23 of Chapter –I of the Report)

Recommendation (Para No. 9)

IMPOSITION OF TAX / CHARGES LEVIED ON THE PACKAGED DRINKING WATER INDUSTRIES

The Committee note that as in July, 2018, CGWA has issued NOCs to 375 Packaged Drinking Water Units using Ground Water. Further, 5873 Packaged Drinking Water Units hold BIS license for producing Packaged Drinking Water as per IS14543:2016, as on 12.06.2018. Also, FSSAI has given a total of 5417 Central and State licenses for the setting up of Packaged Drinking Water industries. However, they find that no charges have been imposed / tax levied for using Ground Water, a precious raw material which is nature's bounty and free for consumption for all. They observe that collection of tax is vested with the respective State Governments. The Committee feel that while water, the elixir of life, should be available for free, its Commercial Use should be appropriately charged to discourage its wastage. In their view, imposition of tax at higher rates can be an effective deterrent against indiscriminate use of Ground Water by the Industries. It would, on the one hand, save precious Water Resource, on the other hand, the Government can use the revenue so generated for taking alternative measures to increase accessibility of Safe Drinking Water to the poorer sections of the society.

Reply of the Government

It has been informed by the Department of Revenue, Ministry of Finance that vide Notification No. 01/2017 dated 28.06.2018, HSN 2201 with description “Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured” is taxable at 18% in GST. Further vide Notification No. 06/2018 – Central Taxes (rate) dated 25.01.2018, HSN 2201 with descriptions “drinking water packed in 20 litres bottle” was added in schedule II of notification No. 01/2017 dated 28.06.2017 thereby making “drinking water packed in 20 liters bottle” taxable at 12% in GST.

It is observed that Central Board of Indirect Taxes & Customs (CBIC) has received request for reduction in duty in packaged drinking water from 'All Manipur Food Processor Association', which is being referred to Fitment Committee for consideration. Further, increase in tax rate may also lead to under declaration of production and evasion of tax on the supply of the same.

Also, Ministry of Water Resources, River Development & Ganga Rejuvenation has revised the guidelines for ground water extraction. A new concept of water conversation fee has been introduced to take care of over exploitation of ground water. The Water Conservation Fee payable varies with the category of the area, type of industry and the quantum of ground water extraction. It is designed to progressively increase from safe to over-exploited areas and from low to high water consuming industries as well as with increasing quantum of ground water extraction. Thus, the Water Conservation Fee will act as a deterrent against wastage of water.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Recommendation (Para No. 11)

MONITORING OF THE QUALITY OF PACKAGED DRINKING WATER

The Committee note that during the three year period from 1 April, 2013 to 30 September, 2016, out of 20,224 samples of Packaged Drinking Water drawn for testing, water quality was not found upto the mark in case of 3,384 samples. With regard to the cases of violation noticed in samples of Packaged Natural Mineral Water, out of 145 samples drawn, 10 samples failed. The main reason for water quality not being upto the mark was failure in Chemical and Micro-biological parameters. However, the Committee are 56 surprised to note that action was taken only in 752 cases - where marking was stopped, 9 cases in which licenses were not renewed and 49 cases where licenses were cancelled. With regard to violations reported in quality of Packaged Natural Mineral Water, marking was stopped only in 10 cases and in 1 case only license was cancelled. The Committee further note that implementation and enforcement of Food Safety and Standard Act 2006 is being done primarily by the officials of Food Safety Departments of respective State/Union Territory Governments; who check compliance with the Standards laid down under the Act. Further all Food Business operators (FBOs) are required to ensure frequent testing of Food Products as per the Point no. 12 of Licensing Conditions mentioned under Annexure-3 of Food Safety and Standards (Licensing and Regulation of Food Businesses) Regulations, 2011. Besides, FSSAI has started a Safe Water Portal wherein Test Reports of water samples based on license number given by the FSSAI, test results uploaded by FBOs,

regulatory tests conducted by the State enforcement agencies and test results of water samples conducted by BIS are uploaded. Apart from this, the Department of Consumer Affairs also conducts periodic surprise visits to the licensees' premises, take testing of factory samples and market samples and verification of corrective actions taken by the manufacturers to ensure good quality of water. The Committee also note that BIS has been maintaining quality of ISI marked products under the Bureau of Indian Standards (BIS) (Certification) Regulations, 1988 and as per the relevant notification of the Ministry of Health and Family Welfare.

Having noted the multiple Agencies / Departments of both Central and State Governments, involved in the monitoring of the quality of water supplied through 57 Bottles/Packaged, the Committee are perturbed to find that still a number of cases of Below Standard Quality Water being packaged and sold in the market, have been reported. Expressing their strong displeasure over action taken against violators only in few cases, the Committee recommend that more stringent actions need to be taken to ensure good quality of Packaged Water - for which quite a hefty amount is shelled out by the public. Keeping in view the sporadic incidences of poor quality water being packed and sold as Pure Drinking Water results in to health hazards for the common public, the Committee, recommend the Ministry to set up a robust Monitoring Mechanism to catch hold of the spurious water being supplied in the market in the form of Packaged Water. For this, both the Food Safety Departments of State/Union Territories Government and BIS have to be more vigilant. They would further like to be apprised of the details of total number of violations noticed, action taken along with the amount raised by way of penalty imposed in respect of Packaged Water Industries during the last ten years and also as on 31st July, 2018.

Reply of the Government

M/o Health & Family Welfare has intimated that Standards for Packaged Mineral Water and Packaged Drinking Water (other than mineral water) are covered under sub-regulation 2.10.7 and 2.10.8 of Food Safety & Standards (Food Products & Food Additives) Regulations, 2011 respectively and compliance to these standards is mandatory for any packaged drinking water manufacturer in the country. These products are also under mandatory certification of BIS. Further, as per sub-regulations 2.3.14 (17) & 2.3.14 (18) of Food Safety and Standards (Prohibition and Restriction on sales) Regulations, 2011 “No person shall manufacture, sell or exhibit for sale packaged drinking water and mineral water except under the Bureau of Indian Standards Certification Mark”.

To ensure compliance of these provisions, regular surveillance, monitoring, inspection and random sampling is being done by the Officials of Food Safety Departments of the respective States/UTs. In cases, where food samples are found to be non-conforming,

recourse is taken to penal provisions under Chapter IX of the FSS Act, 2006 which provides both penalty and/or conviction with imprisonment of minimum six months and up to life term.

To strengthen the enforcement machinery, FSSAI is regularly pursing the matter with the States/UTs. The strengthening of institutional gaps and building up of capacities was highlighted in the Round Table Conference held with Health Secretaries and Health Ministers of States/UTs on 8-9th January, 2018. All were requested and impressed upon to fill the gaps in manpower and enforcement infrastructure. Recently, FSSAI wrote a letter dated 27th June, 2018 to Chief Secretaries of all States/UTs to look into the matter for creation/filling up the posts of Designated Officers and Food Safety Officers as per norms to fill up the gap and remove shortage of regulatory staff. It has been impressed upon that for effective compliance and enforcement and to ensure food safety of citizens and regulatory compliance, adequate manpower must be deployed. Further, FSSAI has issued a direction to States/UTs fixing the enhanced targets of food samples to be collected and analyzed in the food laboratories.

As per reports received from States/UTs, the number of packaged drinking water/mineral water samples analyzed and action taken thereon during the years 2014-15, 2015-16, 2016-17 and 2017-18 for which information is available are given at **Annexure 4**. Information as on 31st July, 2018 is still to be received from the States/UTs. It may be mentioned that Food Safety Standards Regulations pertaining to packaged drinking water and mineral water came into existence only in the year 2011.

As per information received from Bureau of Indian Standards (BIS), the total number of violation noticed during the period 2008-09 to 2017-18 is 511 (approx.).
Total amount of penalty imposed during the period 2008-09 to 2017-18 is Rs. 55,03,500.00 (approx.)

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para No. 29 of Chapter –I of the Report)

Recommendation (Para No. 13)

13. MEASURES TAKEN TO MITIGATE THE ADVERSE EFFECTS OF COMMERCIALISATION OF WATER

The Committee note that the CGWA has laid down Mandatory Conditions such as installation of meters on the Ground Water Abstraction Structures, Implementation of

Artificial Recharge Measures and Recycling / Reuse of water in the NOCs issued to Industries using the Ground Water; with a view to prevent environmental degradation. Further, the Ministry has proposed Water Audit and Water Conservation Guidelines to promote efficient use of water. Also, as submitted by the Secretary, Ministry of Water Resources, River Development & Ganga Rejuvenation, incentives on the lines of Certificates issued by the Bureau of Energy Efficiency are proposed to be implemented in the Water Sector to encourage economic and efficient use of water. The Committee further observe that the National Water Policy, 2012 enunciates several measures for addressing issues in the Water Sector in a scientific manner such as adoption of latest technology, Fair Pricing of Water to ensure its efficient use and reward conservation along with equitable access to water for all. They are however greatly perturbed to note that so far, CGWA has not levied any charges/collect tax for using Ground Water by the Industries. However, revision of Guidelines for Ground Water Abstraction with a view to impose 'Water Conservation Fee' is presently under consideration of the Ministry. The Committee believe that while the proposed Guidelines can have a lasting impact on reducing wastage of water; however, any further delay in their formulation and implementation will only further worsen 60 the already grim water scenario. They, therefore, recommend the Ministry to formulate and implement the Guidelines for Water Audit and Water Conservation, impose a hefty charge to discourage the use of Ground Water and introduce incentives to achieve efficient use of water by industries at the earliest. They would like to be apprised of the details of measures taken in this regard at the earliest.

Reply of the Government

The National Water Policy, 2012 provides that water budgeting and water accounting be carried out for each aquifer.

To ensure a more robust ground water regulatory mechanism, Central Ground Water Authority (CGWA) under this Ministry has issued guidelines for regulation of Ground Water from time to time. The current guidelines are in vogue from the year 2015. These guidelines have now been revised. In the revised guidelines, CGWA has proposed payment of Water Conservation Fee (WCF) for ground water extraction by industries, infrastructure units and mining projects. The WCF payable varies with the category of the area, type of industry and the quantum of ground water extraction and is designed to progressively increase from safe to over-exploited areas and from low to high water consuming industries as well as with increasing quantum of ground water extraction. WCF guidelines stipulates mandatory water audit by industries abstracting ground water 500 m^3/day or more in Safe and semi-critical and 200 m^3/day or more in critical and over-exploited assessment units. For example, a packaged drinking water industry extracting ground water to the tune of 5000 m^3/day in a safe assessment unit will have to pay Rs. 10 /m^3 / day, whereas, a similar unit located in a

over-exploited assessment unit will have to pay Rs. 100/m^3 / day for the same quantum of withdrawal. This will mean that the latter will pay WCF which is 10 times that of the former. Through this design, the high rates of Water Conservation Fee proposed in the draft revised guidelines is expected to act as a deterrent to large scale ground water extraction by industries, especially in over-exploited and critical areas.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Recommendation (Para No. 14)

ROLE OF LOCAL ADMINISTRATION IN BRINGING DOWN THE EXCESSIVE USE OF GROUND WATER IN URBAN AREAS

The Committee observe that regulation of Ground Water use does not come under the jurisdiction of Local Administrations, as it is controlled by the State Ground Water Boards / Departments. However, they note from the submissions of the Ministry of Housing and Urban Affairs (MoHUA) that the Urban Local Bodies (ULBs) have a crucial role to play in reducing overall consumption of Ground Water by adopting such policy measures as exploration of alternative water sources by investing in dams, long distance transfer of water and installation of desalination plants, treatment and recycling of black water (wastewater from toilets) and grey water (wastewater from sinks, bathtubs, washing, etc.) from households, industrial establishments, golf course, parks, etc. for use in non-potable purposes. Further the ULBs should also take measures for increasing education and awareness of masses, conserving water both at household and town level by installing robust network of pipeline, stopping leakages from mains and appropriate Pricing of Water to achieve economic use and management of demand. Expressing their agreement with the aforesaid measures, the Committee believe that over-exploitation of Ground Water in Urban Areas including Cities where Private Ground Water Extraction is being resorted to, in quest for providing alternative Water Supply at a premium and as a result of this many major cities having been pushed to the extent of emptying out all the reserves of Ground Water, the Urban Local Bodies (ULBs) can greatly help in preventing uncontrolled use of Ground Water and reducing unnecessary wastage of available Water Resources. The Committee are of the considered opinion that the Ministry should impress upon the State Governments to strengthen ULBs with the requisite manpower and resources to enable taking suitable measures for effecting judicious allocation and use of water at the lowest level. They, therefore, recommend the Ministry to take appropriate measures in consultation with the MoHUA and State Governments to ensure efficient utilisation of water at the earliest.

Reply of the Government

The suggestion given by the Hon'ble Committee is noted and the same is being referred to the Ministry of Housing & Urban Affairs for appropriate action in consultation with States/UTs and to forward the action taken report directly to the Committee under intimation to this Ministry.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Recommendation (Para No. 15)

WATER ATMs AS AN ALTERNATIVE TO EXPENSIVE PACKAGED DRINKING WATER

The Committee observe that Water ATMs / Water Vending Machines are an effective Instrument in providing Safe and Clean Drinking Water to the masses. The installation of these ATMs / Kiosks can be an effective means by which the objective of making safe and good quality water available to the public at cheaper rates can be achieved. However, the Committee are also aware that as the subject of water comes under the jurisdiction of State Governments, they have to take a lead role in installation of such ATMs. The Committee are happy to note that the New Delhi Municipal Corporation (NDMC) has established 37 water ATMs / Vending Machines in and around parks and other locations where there is a reasonable footfall of visitors and another such 40 ATMs are being proposed to be installed on Public Private Partnership (PPP) model by September, 2018. In view of the Committee since availability of Packaged Drinking Water is mainly a prerequisite for the moving public 62 / people in transition, the installation of such machines / kiosks at various public places such as railway stations, airports, hospitals, religious places, etc. can to a great extent solve the problem of making available supply of Safe and Clean Potable Water at nominal rates for public consumption. Further, with the installation of such ATMs, the problem of 'plastic pollution' also can be reduced to a great extent by providing water in recyclable paper glasses / refilling of glass bottles as per the convenience. The Committee would, therefore, recommend the Ministry to rope in the State Governments and initiate measures to facilitate the setting up of these kiosks all over the country to enable provision of safe drinking water for masses at reasonable rates.

Reply of the Government

The suggestion given by the Hon'ble Committee is noted and the same is being referred to the Ministry of Housing & Urban Affairs for appropriate action in consultation with States/UTs and to forward the action taken report directly to the Committee under intimation to this Ministry.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Recommendation (Para No. 16)

MORAL AND ETHICAL ASPECTS OF COMMERCIAL UTILIZATION OF WATER BY THE PACKAGED DRINKING WATER INDUSTRIES

Having observed the submissions of the Ministry of Water Resources, River Development & Ganga Rejuvenation and all other concerned Ministries / Departments / Agencies, the Committee find that commercial exploitation of water for Drinking Purposes is centered around two main issues i.e. the need to bridge the gap between demand and supply of Safe and Pure Drinking Water and its provision for common travelling public, tourists and persons spending a lot of time in commuting. However, the Committee are of the opinion that the supply of Pure Drinking Water for the masses is a moral and most primary duty of the Government, which so far stands conveniently ignored, as is evident from the Current Policy Plank of the Government presented before the Committee. The Committee, therefore, cannot simply turn a blind eye to this inherent ethical aspect and basic philosophy of a welfare State to provide potable water to its citizens. They, therefore, strongly feel that Commercialization of Water for Drinking Purposes cannot be only an issue about bridging the demand and supply gap but it also should involve moral and ethical issues. A vast country like India where divide between rich and poor is so acute and accentuated that Safe and Clean Drinking Water cannot be made an aspirational item; which is beyond the reach of most of the common people in the country. The Government's policy cannot favour a situation where only those who can afford to pay high prices for quality water should be benefited while a vast majority of the masses have to depend on tap water so sparsely available and not too hygienic also and is sometimes the main cause for water borne diseases. So every Ministry/Department/Agency/State concerned should rise in unision to fill the gap between rich and poor so far as accessibility to Safe Drinking Water is concerned and take suitable measures to address the unethical practice of charging high rates for Clean Potable Water. The Committee, therefore, are of the considered view that supply of pure and hygienic water to the public cannot be left largely to the Private Industries whose sole interest is to earn profit. Further, taking note of the fact that the Governments, both at the Centre and State levels, are not earning a substantial amount on the tax levied on these Industries; which otherwise could be utilized to undertake welfare activities for the people, the Committee strongly recommend that the Government should play a more proactive role in making Safe, Pure and Hygienic water available to the common public at nominal rates.

Reply of the Government

The suggestion given by the Hon'ble Committee is noted and the same is being referred to the Ministry of Housing & Urban Affairs and Ministry of Drinking Water & Sanitation for appropriate action in consultation with States/UTs and to forward the action taken report directly to the Committee under intimation to this Ministry.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

CHAPTER – III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

NIL

CHAPTER – IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Para No. 2)

GROUND WATER AS A MAJOR SOURCE OF RURAL DRINKING WATER SUPPLY

The Committee note with utter surprise that still 85 per cent of Drinking Water Schemes in the rural areas covering 17.14 lakh Rural Habitations are based on Ground Water Resources, which although, has ensured assured supply of water, but in the long run, may have adverse impact on the Underground Water Table and lead to water quality issues; as 71,077 Rural Habitations have reported water quality problems. There are 72.72 lakh Water Supply Schemes in the rural areas of the country and 56.84 lakh Hand Pumps have so far been installed. The Committee are particularly concerned to note that though at present, 87 per cent of the Rural Households have access to 'basic water,' as stated by NITI Aayog in its Report on Composite Water Management Index, only 50 per cent of them get Safe Water. Further, due to inadequate or Unsafe Drinking Water, approximately two lakh deaths are occurring annually in the rural areas. The Committee note from the submissions made by the Ministry of Drinking Water and Sanitation (MoDWS) that a strategic goal has been established to achieve Har Ghar Jal by 2030. Also, as on 1 April, 2018, 78.14 per cent Rural Habitations are able to get more than 40 litre per capita per day Safe Drinking Water and 56.04 per cent have access to Piped Water Supply. Keeping in view the alarming rate at which Ground Water is being depleted, the Committee desire that the Surface Water should be increasingly relied upon to cater to Drinking Water needs of the Rural Areas. The access to Piped Water supply to each Rural Household; as proposed in the strategic goal to be achieved till 2030 should be focussed on mainly Surface Water Sources except for the areas where it is not feasible. Further, expressing their concern over large scale drilling for Tubewells / Handpumps, the Committee recommend that a coordinated approach should be taken by the State Governments, Ministry of Drinking Water & Sanitation (MoDWS) and the Central Ground Water Board (CGWB) while giving permission to install Handpumps to check its unbridled growth and strict action should be taken against illegal drilling for Handpumps. The Committee would also like to be apprised of the details of Community Water Purification Plants being set up in Rural Areas to supply Purified Water in the rural areas in the interim period till the completion of network for Piped Water Supply. Further, keeping in view the serious water quality issues, particularly in the Habitations affected with Arsenic and Fluoride contamination, the Committee feel that the Packaged Drinking Water

Industries may be roped in to complement the Government's efforts to supply Safe and Clean Drinking Water. Therefore, these Industries should be given incentive by the Government to set up Units/Plants in such areas and provide treated potable water to the masses at an affordable cost.

Reply of the Government

Water being a State subject, supply of potable water is primarily States' responsibility. However, Central government supplements the efforts of State governments by way of technical and financial assistance to provide potable water to general public.

M/o Drinking Water & Sanitation (MoDW&S) is supplementing the efforts of the States both technically and financially towards ensuring safe and adequate drinking water supply to the rural population of the country.

As per information received from MoDW&S, people in about 3.6% of the rural habitations (about 62000 in numbers) are at the risk of consuming water contaminated with one or other geogenic contamination, whereas more than 80% of the rural habitations are being catered safe drinking water through one or other means.

The MoDW&S promotes the States to take up small, sustainable, single village based piped water supply schemes which have low O&M cost and are demand driven. Schemes involving community contributions are being provided special attention.

Further, under the National Aquifer Mapping and Management (NAQUIM) programme, the Central Ground Water Board (CGWB) is providing technical assistance to States/UTs about the design of Arsenic free wells. The concerned States/UTs may appropriately utilize the knowledge shared by CGWB in this connection for creating tubewells/borewells etc. for drinking water purposes.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para Nos. 9, 10 & 11 of Chapter –I of the Report)

Recommendation (Para No. 3)

GROUND WATER, A CRUCIAL SOURCE FOR URBAN DRINKING WATER SUPPLY

The Committee note that as per the Census of India, 2011, although a major portion of Urban Households i.e. 70.6 per cent have access to tap water, Covered Wells, Uncovered Wells, Handpumps / Tube wells / Borewells still account for water supply to 1.65 per cent 4.50 per cent 11.86 per cent and 8.90 per cent of Urban Households respectively; highlighting the dependence of Ground Water in Urban Water Supply as well. They are concerned to note the fact that although 93 per cent of urban population have access to 'basic water' as stated by NITI Aayog, large scale intercity and intra city inequities exists in the country which has led to heavy dependence on Privately Extracted Ground Water and thereby, driving down water table in most of the Cities. Ground water table in 21 Major Cities including Delhi, Bengaluru and Hyderabad is expected to reach Zero Level by 2021– affecting access for 100 million people. The Committee further note that globally Israel has emerged as the largest user of treated and recycled water with 94 per cent of reused water being used. The Committee also note that the Government has taken several initiatives to provide Universal Water Coverage in 500 Cities (having population greater than one lakh) under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), which was launched in 2015, such as Rehabilitation of Old Water Supply Systems including Water Treatment Plants, Rejuvenation of Water Bodies and Recharging of Ground Water, etc. However, the Committee, while agreeing with the views of NITI Aayog that recycling / reuse of waste water is the need of the hour, recommend the Ministry to take appropriate measures to reduce dependence on fresh water. In this context, the Committee further recommend that appropriate measures should also be taken to lay separate Pipe Line for Recycled Water and Fresh Water. Further according to the Committee, reduction in intercity and intra city gaps in Urban Water Supply should be made one of the priority components – while providing for universal water coverage in 500 cities under AMRUT. The Committee would like to be apprised of the details of measures taken in this regard.

Reply of the Government

As per reply by Ministry of Housing & Urban Affairs, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched by the Central Government on June 25, 2015, for 500 cities and towns across India covering about 22.50 crore population as per census 2011. AMRUT Mission is a centrally sponsored scheme with a total outlay of rupees one lakh crore including a Central Assistance of Assistance of Rs. 50,000 crore spread over 5 years i.e., from FY 2015-16 to FY 2019-20.

Under AMRUT Mission, out of the total plan size of Rs. 77,640 crore, major allocation is for water supply projects worth Rs.39,010 crore (50%) followed by sewerage & septage projects worth Rs.32,456 crore (42%). The Mission focuses on development of basic urban

infrastructure in water supply sector in the Mission cities with the expected outcome of universal coverage for access to potable water for every household in Mission cities.
To mitigate the problem in drinking water sector, the water supply component inter-alia, provides for augmentation of existing water supply, rehabilitation of old water supply systems including treatment plants and rejuvenation of water bodies, specifically for drinking water supply and recharging of ground water. Recycling/ reuse of waste water, reduction of non-revenue water are some of the important features.

This includes end to end solution to facilitate universal coverage of household water supply such as source improvement work, water treatment plants, storage facilities like underground & overhead tanks, distribution network, improvement in pumping machinery and universal metering.

Universal coverage of water supply is the priority sectors under the Mission. At the inception of AMRUT, the water supply coverage was 64%. By the end of the Mission, it aims to cover 100% households. The target is to provide 138.77 lakh water tap connection to achieve universal coverage. So far Rs. 31.67 lakh tap connections have been provided. Details of target and achievement in water tap connections are given at **Annexure-1 and Annexur-2** respectively.

Implementation status

Out of the total approved water supply projects (in all SAAPs) of Rs. 39,011 crore, works have been completed for 69 projects worth Rs.303.32 crore, contracts have been awarded for 781 projects worth Rs. 26,110.28 crore. NITs have been issued for 169 projects worth Rs.8,100.75 crore and DPRs for 97 projects worth Rs.3,429.19 crore have been approved.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para No. 14 of Chapter –I of the Report)

Recommendation (Para No. 4)

GROUND WATER AS A RAW MATERIAL FOR PACKAGED DRINKING WATER INDUSTRIES

The Committee observe that out of 447 Billion Cubic Metre (BCM) of total Replenishable Ground Water available annually, 228 BCM is currently being used in Irrigation while 25

BCM is being used for Domestic, Drinking and Industrial purposes. They further note that the Central Ground Water Authority (CGWA) constituted in 1997 under subsection (3) of Section 3 of Environment (Protection) Act, 1986 has been entrusted with the responsibility for the Management and Development of Ground Water. It gives No Objection Certificates (NOCs) for abstraction of Ground Water. As per the NOCs issued by the CGWA, Packaged Drinking Water Units / Plants are extracting 13.3 Million Cubic Metres of Ground Water per year. They also observe that Packaged Drinking Water / Mineral Water Packaging Industries / Bottling Plants are granted permission to extract Ground Water - subject to the recharge obligations stipulated by the CGWA, which is 50 per cent of Ground Water recharge in 'Safe' areas, 100 per cent of Ground Water recharge in 'Semi-Critical' areas and 200 per cent of ground water recharge in 'critical' areas. Further no Industry is allowed to be set up in 'Over-Exploited' areas. Also, additional measures such as adoption of villages for developing water security plans, plantations suitable for a particular area to enhance the Recharging Capacity and maintenance of Recharge Structures, etc. are suggested to compensate for the depletion of Ground Water. The Industries are directed to implement recharge measures within six months of the issuance of NOC. Besides, the CGWA has Notified 162 Areas where installation of New Ground Water Abstraction structures is not permitted without the prior specific approval of Authorised officers. However, the Committee are perplexed to note that despite the aforesaid stipulations, a large number of licenses have been given in States, where significant number of 'over-exploited' units are lying, such as Andhra Pradesh (having 41 units and 55 m^3 of Ground Water being withdrawn per day), Gujarat (having 24 units with 8 m^3/day withdrawal), Karnataka (having 63 units with 60 m^3/day withdrawal), Tamil Nadu (having 374 units with 895 m^3/day withdrawal) and Uttar Pradesh (having 111 units with 941 m^3/day withdrawal). They further find that multiple Government Agencies / Departments are involved in the issuance of license to Packaged Water Industries such as State Pollution Control Boards (SPCBs); which give consent to operate, subject to fulfillment of CGWA Guidelines for Water Intensive Industries. Further, in case of Packaged Drinking Water Industries / Plants, the Certifying Agencies are Bureau of Indian Standards (BIS) and the Food Safety and Standards Authority of India (FSSAI). However, the Committee are surprised to note that 18 Packaged Drinking Water Units have been allowed to be set up in 'Semi-Critical' areas of Andhra Pradesh, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and Uttarakhand, with 2552 m^3 of Ground Water being extracted per day. Further 1 unit each in 'Critical' areas of Chhattisgarh, Uttar Pradesh and Uttarakhand have been permitted withdrawing as much as 825 m^3 water per day. The Committee are further surprised to note that despite the huge withdrawals of Ground Water by Packaged Drinking Water Industries, the Ministry has made no effort to find out the total quantum of Ground Water being abstracted by the Packaged Drinking Water Industries as a whole and its impact on the available Ground Water Resources in the areas, as also the effectiveness of measures taken to Recharge the Ground Water as a compensatory measure. The Committee would,

therefore, recommend the Ministry to carry out assessment of total quantum of Ground Water being used by the Packaged Drinking Water Industries and its consequent effect on Ground Water Level in the areas where these Industries have come up on a large scale. The Committee further desire to be apprised of the details of steps taken by the Government in this regard within three months of presentation of this Report to the House.

Reply of the Government

The No Objection Certificate (NOC) accorded by Central Ground Water Authority (CGWA) for the packaged drinking water industries are given at **Annexure-3.** Further, the licenses for these packaged drinking water industries are being accorded by FSSAI and the total quantum of ground water use by such package drinking water industries are available with them. The details in this connection are being sought from FSSAI and shall be submitted. The change in the ground water regime in an area is the cumulative impact of ground water development by the agriculture, industries, infrastructure, etc. Therefore, it will not be possible to assess impact of package drinking water units separately in the ground water regime. However, it is kindly submitted that Ministry of Water Resources, River Development & Ganga Rejuvenation has revised the guidelines for ground water extraction. A new concept of water conversation fee has been introduced to take care of over exploitation of ground water. The Water Conservation Fee payable varies with the category of the area, type of industry and the quantum of ground water extraction. It is designed to progressively increase from safe to over-exploited areas and from low to high water consuming industries as well as with increasing quantum of ground water extraction. The water conservation fee collected shall be used for creation of structures for artificial recharge by States/Union Territories.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para No 17 of Chapter –I of the Report)

Recommendation (Para No. 5)

The Committee further note that Packaged Drinking Water Units / Plants supplement the Government's efforts to make Safe Drinking Water available to public. However, the Committee are of the view that the gap between demand and supply of wholesome water for consumption should be bridged largely by Government as a top most Prioritised Social Responsibility and not allow the Industries to exploit this Sector for purely Commercial Gains. Therefore, they recommend the Government to assume a prime role in provision of

clean and Safe Drinking Water. While acknowledging the need for Sustainable Management of Ground Water; which is our 'fixed deposit', vital for catering to increased demand in future, the Committee are of the opinion that the dual goal of making available Safe Drinking Water without allowing rampant use of Ground Water Resources as a raw material, can be achieved by encouraging the setting up of Packaged Water Industries on Public Private Partnership (PPP) basis, thereby ensuring Government's role in utilisation of water in a rational manner on the one hand and provision of safe water in a cost effective manner on the other. The Committee feel that the use of Ground Water, which is in fact a scarce community resource, as a Raw Material, should be regulated in a rational manner and not allowed to be used as a source of profits for industries. Taking note of the Ministry's submission that licensing of Packaged Drinking Water Manufacturing Units may be highly controlled and they must be made to use mostly Surface Water Resources, Raw Water Storage Structures, etc. and Ground Water only as the last resort, duly controlled by the States, the Committee strongly recommend that the use of Ground Water should be restricted and allowed to be used only in exceptional circumstances. The Committee, therefore, recommend the Ministry of Water Resources, River Development & Ganga Rejuvenation to bring necessary changes in water policy and the Guidelines accordingly at the earliest without any further delay as this is the most pressing need of the hour.

Reply of the Government

The Ministry has formulated National Water Policy 2012 which inter-alia contains provisions to arrest ground water depletion. National Water Policy 2012 contains the following:

a) Declining ground water levels in over-exploited areas may be arrested by introducing improved technologies of water use, incentivizing efficient water use and encouraging community based management of aquifers.
b) It may be ensured that industrial effluents, local cess pools, residues of fertilizers and chemicals, etc., should not reach the ground water.

To ensure a more robust ground water regulatory mechanism, the existing guidelines of Central Ground Water Authority (CGWA) have been revised. The guidelines have been drafted after wide public consultation and modifications based on the feedback received from the stake-holders. The salient features of the guidelines include:

a. Pan India applicability.
b. Introduction of Water Conservation Fee (WCF):
- based on type of industry,
- quantum of extraction and
- category of the area.

c. Mandatory requirement of digital flow meters, piezometers and digital water level recorders (with or without telemetry depending upon quantum of extraction)
d. Mandatory water audit by industries abstracting ground water 500 m^3/day or more in Safe and semi-critical and 200 m^3/day or more in critical and over-exploited assessment units.
e. Mandatory roof top rain water harvesting except for certain specified industries.
f. Measures to be adopted to ensure prevention from pollution in the plant premises of polluting industries/ projects
g. Exemption from requirement of NOC has been given to:

- agricultural users
- users employing non-energised means to extract water,
- individual households (using less than 1" diameter delivery pipe) and
- Armed Forces Establishments during operational deployment or during mobilization in forward locations

h. Exemption (with certain requirements)has been granted to

- Strategic and operational infrastructure projects for Armed Forces
- Defence and Paramilitary Forces Establishments
- Government water supply agencies

CGWA has proposed payment of Water Conservation Fee (WCF) for ground water extraction by industries, infrastructure units and mining projects. The WCF payable varies with the category of the area, type of industry and the quantum of ground water extraction and is designed to progressively increase from safe to over-exploited areas and from low to high water consuming industries as well as with increasing quantum of ground water extraction.

The Water Conservation Fee thus collected shall be made available to the concerned States / UTs to be used for implementation of artificial recharge measures and creating awareness among the users on water conservation.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para No. 20 of Chapter –I of the Report)

Recommendation (Para No. 10)

PRICING OF PACKAGED DRINKING WATER

The Committee note that a large number of Packaged Drinking Water Units have been set up in the country whose profits have run into billions of Rupees. However, they are surprised to note that no study / assessment has been carried out by the Government with regard to the total earnings of these Industries, on the plea that this matter does not fall under the purview of the Ministry of Water Resources, River Development & Ganga Rejuvenation. The Ministry has only requested the States to adopt an appropriate Pricing Policy in respect of the Packaged Drinking Water / Beverage and Bottling industries. Moreover, the Ministry has not been able to furnish the information on the total amount of revenue received by the State Government from these industries. Since water is free commodity, which should be accessible to all, the Committee find the reply of the Ministry with regard to pricing of the Packaged Drinking Water very terse, that it is based on the demand and supply side forces. Although the Ministry has accepted the fact that it is the bounden duty of the Government to provide Safe and Pure Drinking Water to the people at large, the Ministry has distanced itself from any role in this regard, citing water as a State subject and therefore its pricing falls under the purview of the State Government. The Committee, while disapproving of this attitude, recommend the Ministry to coordinate with the Ministry of Micro, Small and Medium Enterprises and the Ministry of Finance, Department of Revenue for a proper study / assessment of the income / profit earned by the Packaged Drinking Water Industries to enable formulation of appropriate Pricing Policy - in respect of commercial use of water by Water Intensive Industries, including the Packaged/Bottled Water Industries. Further, in view of the Committee, at present, utilisation of water as a Free Raw Material for the Commercial Purposes has grown due to lack of inter-ministerial coordination on this issue. Therefore, the Committee believe that there is an urgent need to formulate a National Policy about the Commercial Use of Water, laying down the proper framework and regulatory measures for better control of the Water Intensive Industries. They, therefore, strongly recommend the Government to chalk out a policy in consultation with all the concerned Ministries/Departments. They would also like to be apprised of the details of measures taken to ensure a congruent policy approach to address the issue of Commercial Use of water and its impact within three months of presentation of this Report to the House.

Reply of the Government

The National Water Policy 2012 inter-alia recommends:

- Equitable access to water for all and its fair pricing, for drinking and other uses such as sanitation, agricultural and industrial, be arrived at through independent statutory Water Regulatory Authority, set up by each State, after wide ranging consultation with all stakeholders.

- Recycling and reuse of water, after treatment to specified standards, also needs to be incentivized through a properly planned tariff system.
- Allow Industries in water short regions to either withdraw only the make-up water or have an obligation to return treated effluent to a specified standard back to the hydrologic system.
- Implement subsidies and incentives to encourage recovery of industrial pollutants and recycling / reuse.

As per revised guidelines of ground water extraction of CGWA, likely to be notified soon, there is a provision of charging of Water Conservation Fee (WCF) for ground water extraction by industries, infrastructure units and mining projects. The WCF payable varies with the category of the area, type of industry and the quantum of ground water extraction. It is designed to progressively increase from safe to over-exploited areas and from low to high water consuming industries as well as with increasing quantum of ground water extraction. Thus, WCF, to a great extent, is likely to address the concern expressed by the committee about the ground water exploitation of Industries for their profit earning.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para No. 26 of Chapter –I of the Report)

Recommendation (Para No. 12)

NATIONAL POLICY ON COMMERCIAL USE OF WATER

The Committee observe that no specific policy has been framed in respect of the Commercial utilisation of water which is growing tremendously due to the lack of adequate supply of good quality water commensurate with demands of rising population. With regard to the use of Ground Water in Industries; which is comparatively easily available, there is only CGWA laid Guidelines - which have to be followed for extraction by all the Water Intensive Industries viz. Packaged Drinking Water, Beverages, Breweries, Distilleries, etc. The quality issues in Packaged Drinking Water are governed by the FSSAI Rules and Regulations. The Committee further observe that the National Water Policy, 2012 states "(a) A system to evolve benchmarks for water uses for different purposes, i.e., water footprints, and water auditing should be developed to promote and incentivize efficient use of water (b) The Project appraisal and environment impact assessment for water uses, particularly for Industrial Projects, should, inter-alia, include the analysis of the water footprints for the use. (c) Recycle and reuse of water, including return flows, should be the general norm. (d) In order to meet equity, efficiency and economic principles, the water charges should

preferably / as a rule be determined on volumetric basis. Such charges should be reviewed periodically. (e) Recycle and reuse of water, after treatment to specified standards, should also be incentivized through a properly planned tariff system."

Although, as per the submission of the Ministry, para 7 of the National Water Policy, 2012 suggests specific action plans for Industrial use of water such as demand management, water use efficiency and water pricing, the Committee find that it does not state specific measures for regulation of commercial use of water. As stated earlier, the Committee are of the view that a proper National Policy needs to be formulated with regard to Regulation of Commercial use of Water encompassing inter-alia, such aspects as specific Commercial Use of water, particular source of water to be used, quantum of water, appropriate pricing, taxation of commercial gains made by using water, the specific social and environmental obligations of Industries, etc. Also, as a corporate social responsibility the industries should be actively involved in participation of such activities as adoption of Water Bodies for maintenance, installation of Community RO/Water Purification Plants in the villages, recycling / reusing of Bottles used for Packaging, etc. They, therefore, recommend the Ministry to frame a Policy accordingly within three months of presentation of this Report.

Reply of the Government

The National Water Policy 2012 inter-alia recommends:

- Equitable access to water for all and its fair pricing, for drinking and other uses such as sanitation, agricultural and industrial, be arrived at through independent statutory Water Regulatory Authority, set up by each State, after wide ranging consultation with all stakeholders.
- Recycling and reuse of water, after treatment to specified standards, also needs to be incentivized through a properly planned tariff system.
- Allow Industries in water short regions to either withdraw only the make-up water or have an obligation to return treated effluent to a specified standard back to the hydrologic system.
- Implement subsidies and incentives to encourage recovery of industrial pollutants and recycling / reuse.

The Ministry of Water Resources, RD & GR (MoWR, RD & GR) has revised the existing guidelines for ground water abstraction. These guidelines have the provision of Water Conservation Fee (WCF) which shall be collected from the industrial establishments against usage of ground water. The Water Conservation Fee collected from proponents in a State/ UT shall be made available to the concerned States / UT to be used for facilitating measures for sustainable and efficient management of water resources depending on the prevalent hydrogeological scenario, land use and agricultural practices. These interventions

could range from implementation of water conservation/ artificial recharge measures, promotion of micro-irrigation practices through subsidies, encouraging change in cropping pattern to less-water consuming crops to incentivizing good ground water management and water governance practices, coupled with mass awareness and capacity building campaigns. The proposed mechanism is expected to help States / UTs implement large scale water conservation / artificial recharge schemes in priority areas in a focussed and scientific manner to ensure optimal benefits and will allay the concerns of the Hon'ble Committee to a large extent.

(OM No. H.11013/9/2018-GW dated 30.11.2018)

Comment of the Committee

(Please see Para No. 32 of Chapter –I of the Report)

CHAPTER – V

RECOMMENDATION/OBSERVATION IN RESPECT OF WHICH FINAL REPLY OF THE GOVERNMENT IS STILL AWAITED

NIL

NEW DELHI
03 March, 2020
13 Phalguna, 1941 (Saka)

Dr. SANJAY JAISWAL,
Chairperson,
Standing Committee on Water Resources

Annexure-1

Target Household Level Coverage of Direct Water Supply Connections (as per SAAP)

#	States/UTs	Total Number of HHs as per 500 Cities Data Base	HHs Connections in Base Year FY 2015-16	Year wise New HH Tap connection targets as per SAAP (mutually exclusive figures)				Total New connections in Mission Period
				FY16-17	FY17-18	FY18-19	FY19-20	
1	A & N Island	27,049	24,344	1,353	811	271	270	2,705
2	Andhra Pradesh	22,51,379	11,62,837	2,79,622	3,65,398	83,977	-	7,28,997
3	Arunachal Pradesh	11,898	10,113	595	1,190	-	-	1,785
4	Assam	3,25,373	2,16,926	-	-	16,269	92,178	1,08,447
5	Bihar	11,78,319	3,53,496	2,35,664	3,53,495	1,17,832	1,17,832	8,24,823
6	Chandigarh	2,18,087	1,93,356	13,827	6,542	4,362	-	24,731
7	Chhattisgarh	6,74,474	3,04,323	-	-	2,21,767	1,48,384	3,70,151
8	D & N Haveli	19,653	9,827	1,965	1,965	983	982	5,895
9	Daman & Diu	8,856	1,328	3,986	2,656	886	-	7,528
10	Delhi	23,66,175	19,23,700	-	1,11,211	23,661	47,324	1,82,196
11	Goa	8,003	7,603	160	240	-	-	400
12	Gujarat	38,62,376	37,07,881	77,247	77,248	-	-	1,54,495
13	Haryana	12,49,636	9,17,233	73,728	58,733	69,980	71,229	2,73,670
14	Himachal Pradesh	50,013	37,010	1,500	4,001	5,001	2,501	13,003
15	Jammu & Kashmir	3,07,641	1,99,967	15,382	46,146	30,764	15,382	1,07,674
16	Jharkhand	5,73,467	2,12,297	80,171	1,14,694	1,08,958	57,347	3,61,170
17	Karnataka	37,26,854	21,83,564	3,69,331	4,62,503	2,23,611	2,33,674	12,89,119
18	Kerala	7,13,427	3,81,683	46,373	35,672	35,671	35,671	1,53,387
19	Lakshadweep	2,242	-	-	-	-	-	-
20	Madhya Pradesh	22,43,922	12,34,157	3,36,588	2,24,393	1,12,196	3,36,588	10,09,765
21	Maharashtra	86,42,287	66,58,882	3,75,940	6,25,701	4,07,052	5,74,712	19,83,405
22	Manipur	57,764	21,881	17,451	16,416	-	-	33,867
23	Meghalaya	31,025	23,855	-	4,068	1,551	1,551	7,170
24	Mizoram	60,635	48,508	3,032	3,032	3,031	3,032	12,127
25	Nagaland	46,973	14,092	4,697	4,698	14,091	9,395	32,881
26	Odisha	6,09,212	1,96,166	17,058	30,461	60,921	1,82,764	2,91,204
27	Puducherry	1,52,139	1,44,532	3,043	4,564	-	-	7,607
28	Punjab	12,23,016	7,63,651	92,460	1,22,302	1,46,762	97,841	4,59,365
29	Rajasthan	20,08,920	13,42,159	24,509	3,19,619	1,61,919	1,60,714	6,66,761
30	Sikkim	23,773	17,830	-	-	2,377	2,377	4,754
31	Tamil Nadu	35,12,262	18,96,621	3,86,349	2,80,981	1,75,613	7,72,698	16,15,641
32	Telangana	20,71,335	11,70,304	-	4,34,981	4,14,267	51,783	9,01,031
33	Tripura	1,00,650	75,488	-	-	10,065	10,065	20,130
34	Uttar Pradesh	41,34,747	24,39,501	1,24,042	2,89,432	1,65,390	1,24,043	7,02,907
35	Uttarakhand	2,81,734	1,91,579	14,087	19,721	16,904	5,635	56,347
36	West Bengal	40,60,056	17,86,425	81,201	3,65,405	4,06,005	6,09,009	14,61,620
	Total	**4,68,35,372**	**2,98,73,119**	**26,81,361**	**43,88,279**	**30,42,137**	**37,64,981**	**1,38,76,758**

Annexure-2

Implementation status of water tap connections

#	Name of State / UT	New Tap connections provided (in numbers)
States		
1	Andhra Pradesh	1,32,489
2	Arunachal Pradesh	*
3	Assam	1,300
4	Bihar	1,81593
5	Chhattisgarh	81,541
6	Goa	150
7	Gujarat	396,698
8	Haryana	88,080
9	Himachal Pradesh	5,523
10	Jammu & Kashmir	6,233
11	Jharkhand	168,109
12	Karnataka	1,54,771
13	Kerala	81,418
14	Madhya Pradesh	268,487
15	Maharashtra	1,900
16	Manipur	1,874
17	Meghalaya	10,168
18	Mizoram	2,575
19	Nagaland	1,033
20	Odisha	83,329
21	Punjab	1,63,135
22	Rajasthan	2,28,243
23	Sikkim	487
24	Tamil Nadu	3,68,822
25	Telangana	19,137
26	Tripura	1,155
27	Uttar Pradesh	215,083
28	Uttarakhand	15,056
29	West Bengal	36,550
Union Territories (UTs):		
30	Andaman and Nicobar	2,159
31	Chandigarh	14,960
32	Dadra & Nagar Haveli	12,712
33	Daman & Diu	*
34	Delhi	*
35	Lakshadweep	*
36	Puducherry	*
Total		**31,66,674**

***The details of tap connections provided are awaited.**

Source: State VC formats

Annexure - III

STATEWISE BREAKUP OF NOC'S ISSUED BY CGWA TO PACKAGED DRINKING WATER INDUSTRIES AS ON 31.03.2018			
Sl. No.	**State**	**No. of NOC accorded**	**Quantum of ground water withdrawal allowed (cubic m/yr)**
1	Andhra Pradesh	24	527660
2	Arunachal Pradesh	5	48065
3	Assam	103	948129
4	Bihar	12	385250
5	Chhattisgarh	13	183168.25
6	Delhi	1	9600
7	Gujarat	9	307186
8	Haryana	17	1233556
9	Himachal Pradesh	2	210000
10	Jammu & Kashmir	1	9000
11	Jharkhand	2	20100
12	Karnataka	8	80115
13	Madhya Pradesh	2	13500
14	Maharashtra	33	791587
15	Manipur	3	51680
16	Mizoram	1	7370
17	Meghalaya	3	34290
18	Nagaland	3	22127
19	Odisha	8	1231952.5
20	Punjab	18	1181777
21	Rajasthan	13	397110
22	Tamil Nadu	25	615217
23	Telangana	2	4200
24	Tripura	8	45925
25	Uttar Pradesh	53	4554229
26	Uttarakhand	6	384321
	Total	**375**	**13297114.75**

Annexure - IV

Annual Public Laboratory Testing Report of Packaged Drinking Water/Mineral Water for the year					
Year	**No. of samples analysed**	**No. of samples found non-conforming**	**No. of Civil/ Criminal cases Launched**	**Convictions**	**No. of cases in which Penalties imposed /Amount raised**
2014-15	**734**	**226**	**130**	**16**	**14/Rs. 3, 18, 000**
2015-16	**767**	**345**	**176**	**39**	**64/Rs.30,49,100**
2016-17	**697**	**224**	**131**	**33**	**40/Rs.7,05,500**
2017-18	**1127**	**504**	**260**	**97**	**148/Rs.39,70,500**

Annexure-V

MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON WATER RESOURCES (2019-20) HELD ON TUESDAY, 3 MARCH 2020

The Committee sat from 1500 hours to 1530 hours in Committee Room '139', First Floor, Parliament House Annexe, New Delhi.

PRESENT

Dr. Sanjay Jaiswal – Chairperson

MEMBERS

Lok Sabha

2. Shri Vijay Baghel
3. Shri Bhagirath Chaudhary
4. Shri Guman Singh Damor
5. Dr. Heena Vijaykumar Gavit
6. Dr. K. Jayakumar
7. Shri Hasmukhbhai Somabhai Patel
8. Shri Sanjay Kaka Patil
9. Shri S. Ramalingam
10. Shri Dipsinh Shankarsinh Rathod
11. Shri Prajwal Revanna
12. Shri A. Narayana Swamy

Rajya Sabha

13. Dr. Kirodi Lal Meena

SECRETARIAT

1.	Dr. Preeti Srivastava	-	Joint Secretary
2.	Shri Raju Srivastava	-	Director
3.	Shri R.C. Sharma	-	Additional Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up for consideration (a) Draft Report on Demands for Grants (2020-21) of the Ministry of Jal Shakti -Department of Water Resources, River Development & Ganga Rejuvenation; (b) Draft Report on Demands for Grants (2020-21) of the Ministry of Jal Shakti - Department of Drinking Water and Sanitation; and (c) Draft Report on Action Taken by Government on Observations/Recommendations contained in the Twenty Third Report (Sixteenth Lok Sabha) on the subject 'Socio-economic impact of commercial exploitation of water by industries'. After some deliberations, the Committee adopted the aforesaid three draft Reports with minor modifications.

3. The Committee then authorized the Chairperson to present the above Reports to both the Houses of Parliament in the current Session.

The Committee, then, adjourned.

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ANNEXURE - VI

[Vide Para 4 of the Introduction]

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/ OBSERVATIONS CONTAINED IN THE TWENTY THIRD REPORT (SIXTEENTH LOK SABHA) OF THE COMMITTEE

(i) Total number of Recommendations/Observations 16

(ii) Recommendation/Observations which have been accepted by the Government
Para Nos. 1, 6, 7, 8, 9, 11, 13, 14, 15, and 16

Total - 10
Percentage -62.50%

(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies
Para Nos. NIL Total - NIL
Percentage- 0%

(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee
Para Nos. 2, 3, 4, 5, 10 and 12

Total – 06
Percentage 37.50 - %

(v) Recommendation/Observation in respect of which final reply of the Government is still awaited
Para Nos. NIL

Total NIL
Percentage - 0%