

3.2.2 Materials Recovery

India produces very little household garbage. Anything that is of value in solid waste is extracted by ragpickers on the street or at the landfill. The converse is true for many industries. A lack of efficient capital stock, and poor management practices means that many pollutants are not recycled or reused, and find their way into air and water waste streams. The privatization of state industries and pressure to conform with global standards is causing Indian industries to seek out environmental technologies and engineering processes which can recover materials from the production cycles for reuse and recycling.

3.2.3 Energy Consumption

India is a net energy importer with high energy input requirements due to outdated technology, poor engineering and a lack of clean fuels (e.g. natural gas). The country's energy sector relies on low grade coal which is high in ash content, leading to poor combustion efficiencies and significant disposal problems. Clean coal burning technologies and processes to extract natural gas reserves have ready markets. The conversion to these more efficient and environmentally-friendly fuels is promising and beginning to occur.

3.2.4 Environmental Liability Exposure

Environmentally-driven litigation is a relatively recent phenomenon in India. Indian companies now have to account for potential liability claims from those affected by the pollution their industries produce. Both foreign and domestic investors have begun to weigh environmental liability factors in their assessments of loan risk. The State Bank of India has taken the lead by making the screening of a project's environmental parameters a part of their financial appraisal mechanism. Indian companies, particularly those which generate hazardous pollutants as byproducts, are now modifying operations to reduce their liability exposure. This involves both the minimization of polluted effluent and emissions, and management systems which reflect due diligence concern for environmental damage.

3.2.5 Export Driven Standards

Indian companies are becoming more aggressive exporters, and must comply with international environmental standards to overcome trade barriers and enter markets such as the European Community and NAFTA. Many Indian companies are planning to attain ISO 14000 status. The Confederation of Indian Industry (CII) is currently assisting companies such as Indfos, NICCO, ICI, Indian Aluminum and Ranbaxy in developing their own EMS. Companies can seek EMS certification from the Bureau of Indian Standards (IS-13967), which is the ISO's representative body in India, or contact the CII for further information.