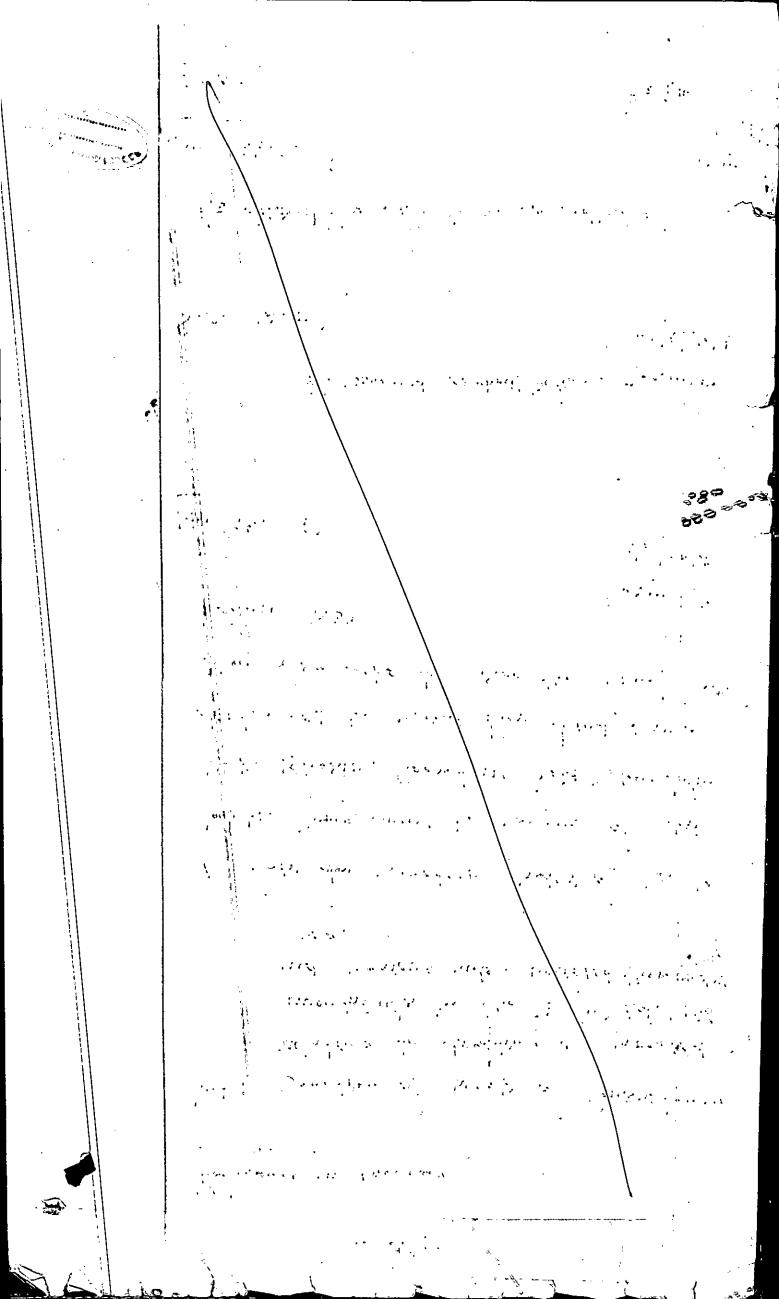
- 14 | N -Reference on pore-parge Sub: Sanction of work of Courselfancy relating to drafting of proposed amendments in the E(P) Act, 1986 and various rules notified therewader A fair has Sanction Order of Rs. 10 lakke (lomp-som) in favour af Shri V. K. Bhassin, Secretary (Reta.), Legislative dept., GOI is placed for kind permeal, May also like to see the final S.O. before 18eoue. 13/8/2014 Dir (str. Sca) 12/11/13/9/14 JO (SALYPS) Pl. Issue and provonit the fil. Jogen for 13 8 2014 S.O. (1A.II) As desired the file is re-submitted pf Dir (sh.sca) 30/9/14 30/9/2014 JSCATU people potly



The PMO has been following up the matter regarding amendment in the Environment (Protection) Act, 1986 [E(P)Act] to provide for the provision of civil penalty. With a view to drafting an amendment to the E(P) Act so as to provide for provision of civil penalty, levying of fee, levying of bank guarantee, etc., Shri V.K. Bhasin, Secretary (Retd.) Legislative Department, Government of India was engaged as a Consultant. The sanction order dated 13.08.2014, which inter alia include the TORs for engagement of Shri Bhasin may be seen at F/X. After a few interactions with Shri Bhasin, he has submitted an initial report with proposed amendments in the E(P) Act to meet the aforesaid objective (copy at F/Y).

Subsequently, the Ministry has constituted a High Level Committee 2. on 29.08.2014 under the Chairmanship of Shri T.S.R. Subramanian, Former Cabinet Secretary to review various Acts administered by this Ministry including the E(P) Act. This Committee has been asked to submit its report within 2 months. Copy of this order is at F/Z.

As the proposed amendment of E(P) Act to provide for civil penalty 3. is being pursued by the PMO, it is submitted that we may perhaps consider firming up our views on this issue and other issues as stated in para 1 above, based on inputs received from Shri Bhasin at the earliest. This is with a view to targeting introduction of amendment Bill in the forthcoming Winter Session of Parliament.

Secretary (E,F&CC) may like to call a meeting in which Shri Bhasin may be invited to make a presentation on the proposal.

> (Ajay Tyagi) Joint Secretary 01.10.2014

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- (ii) Inclusion of Adjudicating Officer to adjudge penalties in respect of projects or activities;
- (iii) Levy of fees in respect of application, amendment of documents, issue of certificates, giving clearance or approval etc.;
- (iv) Inclusion of new section for monetary penalty for causing substantial damage to environment;
- (v) Punishment for causing substantial damage to environment or failure to pay penalty within the scope of Section 18The time limit. の EPA.
- (vi) Amendment in Green tribunal Act, 2010, with regard to appeal.

3. Amendment to the following sections in the Environment (Protection) Act, 1986 have been proposed:

S.No.	Section	Existing Provision	Proposed Amendment
1.	Chapter I	1(1) This Act may be called the Environment (Protection) Act, 1986. F/A	1(1) This Act may be called the Environment Laws (Amendment) Act, 2014.
2.	Chapter I	2.Definition F/A	Put under Chapter II, under Amendments to the Environment (Protection) Act, 1986. F/x
3.	Amendment of Section 2.	In this Act, unless the context otherwise requires,- F/A	2.In the Environment (Protection) Act, 1986 (hereafter in this Chapter referred to as principal Act), in section2,-
			 (i) Clause(a) shall be numbered as clause(aa) thereof and before clause (aa) as so numbered, the following clauses shall be inserted, namely:- `(a) ``adjudicating
			officer" means an officer appointed under sub-section (1) of section 14C by the Central Government, or, as the case may be, by the authority duly constituted by the Central Government under sub-section (3) of

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section 3 (including State Level Environment Impact Assessment Authority or other authority constituted before the commencement of the Environment Laws (Amendment) Act, 2014) to adjudge penalties in respect of projects or activities or operation or process falling under their respective jurisdiction';
(ii) after clause(e), the following clause shall be inserted, namely:-
'(ea) "microorganisms" shall include all the bacteria, viruses, fungi, mycoplasma, cells lines, algae, protodones and nematodes as may be prescribed and would also include those which have not been presently known to exist in India or not have been discovered so far';
(iii) after clause (g), the following clauses shall be inserted at the end, namely:-
'(h)"selection committee" means the selection committee referred to in section 14F;
(i) "substantial damage to environment" means substantial damage to environment (whether by release of environment pollutant or environment pollution or handling of hazardous substance or any other substance or otherwise), by which the community at large is affected or

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				affected by such damage or its consequences (including damage to the human beings, other living creatures, plants and micro- organism, property and public health), due to -
		-		 (A) direct violation of a specific statutory environmental obligation of the occupier or any other person; or
			· · · · · · · · · · · · · · · · · · ·	(B) any act or omission of the occupier or any other person or negligence on his part (whether by an accident or otherwise); or
		·		(C) carrying out project or activities or operation or process by the occupier or any other person; '
,				(j) "Tribunal" means the National Green Tribunal established under section 3 of the National Green Tribunal Act, 2010'.
	4.	Amendment of Section 3.	3. Power of Central Government to take measures to protect and improve environment. F/B	In section 3 of the principal Act, in sub- section(2), after clause(xiii), the following clause shall be inserted, namely:-
				"(xiii a) levy of fee for any matter falling under clause (i) to (xiii) and (viv);"
	5.	Amendment of Section 6.	6.Rules to regulate environmental pollution F/ß	In section 6 of principal Act, in sub- section(2), after clause(f), the following clauses shall be inserted at the end, namely:- "(g) levy of fee for any matter falling under clauses (a) to (e)."
	6.	Insertion of new sections	14. Reports of Government Analysts	After section 14 of the principal Act, the
		· · · · · · · · · · · · · · · · · · ·	F/C	میں

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	14 A-14L in		following sections	
	section 14.		shall be inserted,	
			namely:-	
	Monetary			1
	penalty for		"14A.(1) Whoever	
	causing		causes substantial	ð
	substantial		damage to the	}
	damage to		environment within an	ł
	environment.		area not exceeding	
		<u>.</u>	five kilometres shall,	
			without prejudice to the provisions of	
			section 15 or any	
			other law for the time	
			being in force, be	
			liable to a monetary	
			penalty of an amount	
			not less than five	
			crore rupees and a	
			further penalty of	
			rupees not less than fifty lakh rupees for	
			each day.	
			(2) Whoever causes	
			substantial damage to	1
			the environment	
			within area beyond	
			five kilometres but	
			within ten kilometres	
			shall, without prejudice to the	
			provisions of section	
			15 or any other law	
			for the time being in	ļ
		•	force, be liable to a	
			monetary penalty of	
			an amount not less	
			than ten crore rupees.	
			(3) Whoever causes	1
			substantial damage to the environment	1.
			the environment. within area beyond	Į
			ten kilometres shall,	
			without prejudice to	
			the provisions of	
			section 15 or any	
			other law for the time	*
			being in force, be	
			liable to a monetary	
			penalty of not less	
			than twenty-five crore	¢.
			rupees.	
	Monetary		14B. Whoever fails to	
	penalty for		comply with any	
	certain		provision of this Act	
	contraventions		or rules made or	,
	not causing		order or directions	
	substantial		issued thereunder or	
	damage to		terms and conditions	
	environment.		of the clearance,	
			approval,	
		· ·	authorisation,	•
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		registration made, given or granted to him under this Act and such failure does not cause substantial damage to the environment, be liable to a monetary penalty of an amount fless than an amount of rupees fifty thousands rupees and may extend to ten crores rupees.
Adjudication of penalties.		14C. (1)(a) In cases where the Central Government or any authority or officer of the Central Government is empowered to give or grant clearance, approval, authorisation, permission, licence registration under this Act or rules made or directions issued thereunder, the Central Government may, for the purpose of adjudging under sections 14A and 14B, by notification, published in the Official Gazette, appoint, on the recommendations of Selection Committee, one or more adjudicating officers for holding an inquiry in the prescribed manner after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any
	، بې ب	(b) In cases where the authority (other than the Central Government) constituted under
	·	sub-section (3) of section 3 or any other authority or officer of a State Government is to empowered to give or grant clearance, approval, authorisation, permission, licence

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	registration under the	
	Act or rules made	
	under or directions	
	issued thereunder,	
	such authority may,	
	for the purpose of	
	adjudicating under	
	sections 14A and 14B	
	by notification,	
	appoint, on the	
	recommendations of	
	the Selection	
	Committee, one or	
e	more adjudicating	
	officers for holding an	
	inquiry in the prescribed manner	
	after giving any person concerned a	
	reasonable	
	opportunity of being	
	heard for the purpose	
	of imposing any	
	monetary penalty.	
2		
	(2) While holding an	
	inquiry the	
	adjudicating officer	
	shall have power to	
	summon and enforce	
	the attendance of any	
	person acquainted	
	with the facts and	
	circumstances of the	
	case to give evidence	
	or to produce any	•
	document which in	
	the opinion of the	
	adjudicating officer,	
	may be useful for or relevant to the	
	relevant to the subject-matter of the	
	inquiry and if, on such inquiry, he is satisfied	
]	that the person has	
	failed to comply with	
	the provisions of any	
	of the sections	
	specified in sub-	
	section (1), he may	
· -	impose such penalty	
	as he thinks fit in	
	accordance with the	
	provisions of any of	
	those sections.	
	(3) The procedure for	
	making an application	
	before the	
	adjudicating officer	
	and procedure	
	(including fees	
	payable along with	
	the application) for	
	adjudging monetary	
	penalty under this Act	,
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			shall be such as may be prescribed.
			(4) The application, before the adjudicating officer under this Act shall be disposed of within six months from the date of filing of the application, after providing the parties concerned an opportunity to be heard.
	, ,		(5) The adjudicating officer may, having regard to factors specified in section 14D, by an order, impose the monetary penalty on the occupier or any other person who is in default stating any non-compliance or default under the relevant provision of the Act or rules made or order or directions issued thereunder or clearance or approval, authorisation, permission, licence or registration given or granted, under this Act.
			(6) Any person or authority or board or the State Government or Central Government shall be entitled to make application before the adjudicating officer for imposition of penalties under this Act.
			(7) The monetary penalty imposed shall be paid within ninety days from the date of receipt of order imposing of such penalty.
		Factors to be taken into account by adjudicating officer.	14D. While adjudging quantum of monetary penalty under sections 14A and 14B, the adjudicating officer shall have due regard to the following factors,

factors,

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	namely:-
	(a) the amount of damage caused the environment as a result of the default;
	(b) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
	(c) the repetitive nature of the default;
	(d) continuance of default;
·	(e) extent of injury caused or likely to be caused to the public or other living creatures or plants and micro-organism or property or public health.
Qualification for appointment as Adjudicating officer and term of office.	14E.(1) person shall not be qualified for appointment as an adjudicating officer unless he is, or has been, or is qualified to be, a District Judge.
	(2) The Adjudicating Officer shall hold office for a term of five years from the date on which he enters upon his office or until he attains the age of sixty-years, whichever is earlier.
Selection committee for recommending persons to be appointed as Adjudicating Officer.	14F.(1) The Central Government shall, for the purpose of selecting adjudicating officer, by notification, constitute Selection Committee.
·	(2) The composition of the Selection Committee and procedure to be followed by it for recommending the persons to be appointed as Adjudicating Officer shall be such as may

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Salary and allowances and other terms and conditions of service of Adjuidketing Officer. 146. The salary and allowances payable to, and the other terms and conditions of service of Adjuidketing Officer. Provided that nether the salary and allowances nor the obtained that nether the salary and allowances nor the officer shall be varied to his disadvantage after appointment. Filling up of vacancies. If the salary and allowances nor the officer shall be varied to his disadvantage after appointment. Filling up of vacancies. If the fill the vacancy of the Adjuicating officer shall be varied to his disadvantage after appointment. Filling up of vacancies. If the vacancy of the Adjuicating officer shall be varied to his disadvantage after appointment. Filling up of vacancies. If the fill the vacancy after appointment. Filling up of vacancies. If the vacancy after appoint another person in according with the provisions of this Act portice vacancy at which the vacancy after appoint another person in according with the provisions of the the adjuicating officer: provided that the Adjuicating officer shell, unless he is permitted by the Central Government or the authority referred to in clause (a) of section 2, as the case may be, is after ase	- 1	、 <u> </u>		
the salary and allowances nor the other terms and conditions of service of the Adjudicating Officer shall be varied to his disadvantage after appointment.Filling up of vacancies.14H. If, for any reason other than temporary absence, any vacancy occurs in the office of the Adjudicating Officer, then the Central Government or the authority referred to another person in accordance with the provisions of this Act to fill the vacancy and the provisions of the stage at which the vacancy and the provision 2, as the case may be, shall appoint and removal.Resignation and removal.14-1. The Adjudicating Officer may, by notice in writing under his hand addressed to the Central Government or the authority referred to in clause (a) of section 2, as the case may be, resign his office:Provided that the Adjudicating Government or the [authority referred to in clause (a) of section 2, as the case may be, to resign his office			allowances and other terms and conditions of service of Adjudicating	allowances payable to, and the other terms and conditions of service (including pension, gratuity and other retirement benefits) of, the Adjudicating Officer shall be such as may
Vacancies. reason other than temporary absence, any vacancy occurs in the office of the Adjudicating Officer, then the Central Government or the authority referred to in clause (a) of section 2, as the case may be, shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before the Adjudicating Officer from the stage at which the vacancy is filled. 14-1. The Adjudicating Officer may, by notice in writing under his hand addressed to the Central Government or the authority referred to in clause (a) of section 2, as the case may be, resign his office: Provided that the Adjudicating Officer shall, unless he is permitted by the Central Government or the authority referred to in clause (a) of section 2, as the case may be, to the case may be, to the case may be, to the case may be, to the case may be, to				the salary and allowances nor the other terms and conditions of service of the Adjudicating Officer shall be varied to his disadvantage
Resignation and removal.Officer from the stage at which the vacancy is filled.14-I. The Adjudicating Officer may, by notice in writing under his hand addressed to the Central Government or the authority referred to in clause (a) of section 2, as the case may be, resign his officer shall, unless he is permitted by the Central Government or the authority referred to in clause (a) of section 2, as the case may be, to resign his office				reason other than temporary absence, any vacancy occurs in the office of the Adjudicating Officer, then the Central Government or the authority referred to in clause (a) of section 2, as the case may be, shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before
(a) of section 2, as the case may be, resign his office: Provided that the Adjudicating Officer shall, unless he is permitted by the Central Government or the authority referred to in clause (a) of section 2, as the case may be, to relinquish his office			-	Officer from the stage at which the vacancy is filled. 14-I. The Adjudicating Officer may, by notice in writing under his hand addressed to the Central Government or the authority
relinguish his office				 (a) of section 2, as the case may be, resign his office: Provided that the Adjudicating Officer shall, unless he is permitted by the Central Government or the authority referred to in clause (a) of section 2, as
			•	 relinquish his office

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		sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.
		(2) The Adjudicating Officer shall not be removed from his office except by an order made by the Central Government or the authority referred to in clause (a) of section 2, as the case may be, on the ground of proved misbehaviour or incapacity after inquiry made by a Judge of a High Court, in which the Adjudicating Officer has been informed of the charges against him and given a reasonable opportunity of being
		heard in respect of these charges. (3) The Central Government may, by rules, regulate the procedure for the investigation of misbehaviour or incapacity of the Adjudicating Officer:
		Provided that the Central Government or the authority referred to in clause (a) of section 2, as the case may be, during the pendency of the inquiry against the Adjudicating Officer, after consulting the Chairperson of the Selection Committee constituted for selection Adjudicating Officer, pass an order suspending the Adjudicating Officer, if

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			it is satisfied that should cease discharge h functions as a Adjudicating Officer.
	Appeal to National Green Tribunal.		14J. Any perso aggrieved by an ord made by the adjudicating office under sub-section (may prefer an appear within ninety day from the date receipt of order imposing penalty, the National Greet Tribunal established under section 3 of the National Greet Tribunal Act, 2010.
ð	Crediting sums realised by way of certain penalties to consolidated Fund of India.		14K. All sums realise by way of penalties imposed by th adjudicating office appointed by th Central Governmer under this Act shall b credited to th Consolidated Fund of India.
	Credited sums realised by way of certain penalties to notified account.		14L. All sums realise by way of penalties imposed by th adjudicating office appointed by th authority (other that the Centra Government) constituted unde sub-section (3) of section 3 shall be credited to such account, as may, in consultation with concerned State Government be specified, by notification, by the Central Government.".
7.	Substitution of new section for section 15.	contravention of the provisions of the Act and the Rules, orders and	principal Act, the following sections shall be substituted
.	Punishment for causing substantial damage to environment or failure to	directions F/C	namely:- "15 Without prejudice to any award o monetary penalty by the adjudicating

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		14A, whoever causes
		substantial damage to
		environment, shall be
		punished with
		imprisonment for a
		term which shall not
		be less than seven
		years but which may extend to
		imprisonment for life
		and with fine which
		shall not be less than
		ten crores rupees,
		and in the case such
		substantial damage to
		environment
		continues, with additional fine which
		may extend to fifty
, I		lakh rupees for every
		day during which such
		failure
		contravention
		continues after the
		conviction for the first
		such failure or
		contravention.
	Punishment for	15B(1) If any person
	failure to pay	fails to pay the
	penalty	monetary penalty
	imposed under	imposed by the
	the Act.	adjudicating officer
		within the time
	× 1	specified in sub-
		section (7) of section
		14C, he shall be
		punishable with
		imprisonment for a term which shall not
1		be less than one
		month but which may
		extend to three years,
		or with fine not less
		than five crores
		rupees and in case
	· ·	such failure to pay
		penalty continues,
		with additional fine
		which may extend to
		fifty lakh rupees for
	· · ·	every day during which such failure
		continues after the
		first such failure or
		contravention.
		(2) Where company
		does not pay the
		penalty imposed by
		the adjudicating officer
		within the time
		specified in sub-
		section (7) of section
		14C, the company
L		shall be punishable

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			with fine which shall not be less than five crores rupees and in case such failure to pay penalty continues, with additional fine which may extend to fifty lakh rupees for every day during which such failure continues after the first such failure or contravention. (3) Where company does not pay the penalty imposed by the adjudicating officer, within the time specified in sub- section (7) of section 14C, every officer of such company (who at the time when damage to environment was committed and in respect of which such penalty has been imposed) was directly in charge of and was responsible to the company for the conduct of the business of the company, such officer shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to three years, or with fine not less than five crores rupees and in case such failure to pay penalty continues, with additional fine which may extend to fifty lakh rupees for every day during which such failure continues after the first such failure or contravention.
8.	Amendment of section 18.	18. protection of action taken in good faith F/D	In section 18 of the principal Act, for the word officer" at both the places where it occurs, the words "adjudicating officer or any other officer"

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.. -.30~ 9. Insertion 20.Informationreports or of After section 20 of the new section returns.-Act, principal the 20A-20C. following sections F/D shall be inserted, namely:-Power to levy fee in respect "20A.Any rule which of which the Central matters for Government is which levy of empowered to make fee has not under this Act may, been provided notwithstanding the for. absence of any express provision to that effect, provide for the levy of such fees in respect of applications, amendment of documents, issue of certificates, tests, inspection, endorsements, giving of clearance of approval, grant of registration or authorisation, supply of statistics or copies of documents or orders and for any other purpose or matter involving the rendering of any service by the officers of the Central Government or authorities constituted under sub-section (3) of section 3 or officer of the State Government under this Act or any rule made thereunder, as may be considered necessary: Provided that the Government may, if it considers necessary so to do, in the public interest, by general or special order, exempt any class of persons from the payment of any such fee either in part of full. Fee, etc. to be 20B. All fees in credited into respect of matter public account involving the in certain rendering of any cases. service by the officers of the Central Government

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			given, approval registration or authorisation granted by it) in pursuance of any provision of this Act or rules made thereunder shall be paid into the public account of India in the Reserve Bank of India.
	Fee to be credited into notified account in certain cases.		20C. All fees in respect of matter involving the rendering of any service by the officers of the authorities constituted under sub-section (3) of section 3. (including clearance or approval given, registration or authorisation granted by it) in pursuance of any provision of this Act or rules made thereunder shall be paid into such account, as may, in consultation with concerned State Government be, specified by notification, by the Central Government.".
10.	Amendment of section 21.	21.Members, officers and employees of the Authority constituted under section 3 to be public servants	In section 21 of the principal Act, for the words 'all officers", the word "adjudicating officer or any other officer" shall be substituted.
11.	Amendment of	22.Bar of jurisdiction F/D	In section 22 of the principal Act, for the words "by the Central Government or any other authority or officer", the words" by the Central Government or, any other authority or adjudicating officer or other officer" shall be substituted.
12.	Amendment of section 24.	24. Effect of other laws F/B	In section 24 of the principal Act, for sub- section(2), the following sub-section

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				shall be substituted, namely:-
				"(2)Where any act or omission constitutes an offence punishable under this Act and the rules made or orders or direction issued made thereunder and also under any other relevant Act, then the
			,	offender found guilty of such offence shall be liable to be punished under that Act which imposes a
13.	Amendment of section 25.	25. Power rules	to make f/Б	greater punishment." In section 25 of the principal Act, for sub- section(2),-
				(i) after clause (g), the following clauses shall be inserted, namely:-
				"(ga) manner of holding inquiry by adjudicating officer under sub-section (1) of section 14C;
				(gb) the procedure for making an application before the Adjudicating Officer and procedure (including fees payable along with the application) for adjudging monetary penalty under sub- section (3) of section 14C;
				(gc) the composition of the Selection Committee and procedure tot be followed by it section 14F;
				(gd) the salary and allowances payable to, and the other terms and conditions of service (including pension, gratuity and other retirement benefits) of, the Adjudicating Officer under section 14 #C;"
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	· · · · · ·	Chapt	er III			
	Amendments to the Green Tribunal Act, 2010					
1.	Amendment of section 16.	16.Any aggrieved by	person	After clause(i), the following clauses shall be inserted, namely:-		
Ŧ		• .		an order made by the (ia) adjuidicating officer under section (2) of see 14 (of E(P) A, 1		
2.	Insertion of new section 16 A. [for deposit of amount of on filing appeal from order of adjudicating officer]			"16 A. Where an appeal is preferred by any person from whom the amount of monetary penalty imposed by an adjudicating officer under the Environment (Protection) Act, 1986 such appeal shall not be entertained by the Tribunal unless such person has deposited with the Tribunal seventy-five per cent of the amount of monetary penalty imposed upon him by the adjudicating officer:		
				Provided also the Tribunal may, for reasons to be recorded in writing,		
		· .		waive or reduce the amount of monetary penalty to be deposited under this section."		

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With regard to the quantum of monetary penalties, Shri Bhasin has 4. suggested to revisit the same in the light of practical experience gained in administering the Environment (Protection) Act, 1986 and may be 3rt changed.

5. The draft amendments [EPA and NGT] as proposed by Shri Bhasin are submitted for kind consideration and further deliberation, if any required within the Ministry. Thereafter', the same would be processed further in the form of Cabinet note enclosing the draft bill seeking comments.

Submitted, please.

JS(MKS) Aniew need to be fellen that (Dr. Satish C.Garkoti) JS(MKS) Should we process if independently 19.11.2014 or link it with the recommendation of HLC. Manaf HLC. Manaf BUMOD R discuss Mead huban BUMOS) L D'(85)

From prepage -34 - Discussed with JS (MAS) and Dri (SG). The proposed amendment as prepared by Sh. V. K. Bhasin, Exceeding Legislature Affairs, has captured all issues that were discussed with them. We may agree, and seen approval of the Minister Thereafter, it will go to the Ministry I dan ga legal scruting and frally regal wetting before we take it to the Cabinet for approval. This is also in conservance with the Entranamium · lonnittee recommendation. Chash Cheatar. 19.12. 1005 (IC) EF & CC File Dy. Nol. 6.6.3 legy ANN201 19/12 Mafrec San Jun - On tour Al. Sucy EFACC 24/1911 -on leant ⁽۲۲) د ک Hanaf 26.12.14

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Subject: Draft Environment Laws (Amendment) Bill, 2015

The competent authority on preceding page has approved draft Environment (Protection) Bill, 2015 which provides for amendment in Environment Protection Act, 1986 and the National Green Tribunal Act, 2015. The amendment is with respect to incorporation of following provisions:

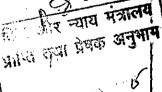
- (i) Punishment for substantial damage to environment which includes imposition of fine in addition to imprisonment;
- (ii) Inclusion of Adjudicating Officer to adjudge penalties in respect of projects or activities;
- (iii) Levy of fees in respect of application, amendment of documents, issue of certificates, giving clearance or approval etc.;
- (iv) Inclusion of new section for monetary penalty for causing substantial damage to environment;
- (v) Punishment for causing substantial damage to environment or failure to pay penalty within the scope of Section 18The time limit.
- (vi) Amendment in Green tribunal Act, 2010, with regard to appeal.

We may refer file to Ministry of Law & Justice for legal scrutiny and legal vetting.

Submitted please.

(Dr. Satish C. Garkoti) Director 16.01.2015

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AdviceB .S.K.Moh

(Rel Erd Regel Alade) (Dept. of Legal Alade) R. el. 229. (R.) Dy. Mo. Savid / Data 28 (A. (R.)

Jt. Secretary & LA, M/o Law & Justice, D/o Legal Affairs, Shastri Bhawan, New Delhi.

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The earlier role had certain deficiency and accordingly a detail discussion was held with the Bhasin Ex Ley LA along trilli B (MAS) and B (BS). Following additional provisions have been incorporate. (1) Online monthing stations installed to ti installed en industrial units Aupplying seemless information to the dentral iero server, will be used to reale endence of initiating heter for Molation (12) Autorités created à empowered N/S 3 9 1/2 E(P) A Will hor automatically get powers of it impose perally for and fee unless categorically empirical ra' la - notification. 2. As Maler and An Achi have been realed WITH Consent of State, any arrendment in EPA will not consequentially result in these two Achi. Therefore, & provision that the legislation that provides for higher proalty, shall previal Mill' Hori 10 the above charges prooposaled, the graft work the Cabinet may thinks be approved Drobling Approved p' plack Rheadan Lefy. (next page)

: 39 :

(f.p.p) (3) on prepage needs to be specifically provided for in the relevant Section and in the body of the Main Note. The justification portion needs to bring out in strong, Aubstantino terms the consequences witnesses provisions of law, which necessitates the proposed anonhments. Please resubnit quickly above . 2/4/15 55(35) Drapt cabinet note after concered incorporations the corrections with is at F/A. However, B(BS) discussed with! Ban the Cabinet Severarial- who adviced a different format) Cabinet work that see as amendment in 14- easting legislation. Accordingly, he has altempted a fresh diage work which may drindly be seen at F/B. This note o's specific and focussed. May have to append the draft cabinet note with more model catur. carried out with peneil, placed at April. Discussed hill. Levy. Chesh. Sheah. Sheahn Hay hive to approve the fixed draft 9/4/11 which incorporates the corrections. Lash. Cheah Jery Khash - Rheat (ne et page)

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car. Dy.

Ministry of Law and Justice Department of Legal Affairs

FTS No. 1032/Adv. 'B'/15

Reference Note at pre-pages.

2. Attention of administrative Ministry is invited to our earlier Note dated 11.02.2015 at page 36/N.

3. In the aforesaid Note, we had requested the administrative Ministry "to make a reference in the form of a Cabinet Note <u>containing the views/comments</u> of all the concerned Ministries/Departments to enable us to examine the same from legal and constitutional angle."

4. It is noticed that views/comments of the concerned Ministries/Departments are not available. In the absence of the comments of other Ministries/Departments, it may not be possible for us to examine the matter in true spirit and right perspective.

5. Further, it is noticed from the draft Note that no consultation with Ministry of Home Affairs as well as Ministry of Finance, Department of Economic Affairs (Budget Division) has been proposed.

6. Since the Draft Amendment Bill proposes to create certain offences and provides punishment/penalty therefor and also touches upon Consolidated Fund of India, therefore, comments of Ministry of Home Affairs/ Ministry of Finance, Department of Economic Affairs (Budget Division) may also be obtained, particularly on the provisions relating to offences and punishment and on the provisions relating to crediting of penalties to Consolidated Fund.

7. In view of the above we once again request the administrative Ministry to please obtain the comments of other Ministries/Departments in the first instance and after incorporating the same in the draft note for the Cabinet matter may be referred to us for examining the same from legal and constitutional angle.

(Dr. R. S. Shrinet) Assistant Legal Adviser 17.04.2015

MoEF&CC

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FTS No.1176/Adv.B/2015 Ministry of Law & Justice Department of Legal Affairs

Ministry of Environment, Forests & Climate Change has sought our comments on the draft note for the Cabinet containing a proposal for amendments in the Environment (Protection) Act, 1986 (Act of 1986) and the National Green Tribunal Act, 2010 (NGT Act) to strengthen penal provisions for causing substantial damage to environment, imposition of monetary penalties and mechanism for adjudication thereto, and for provision of appeal to National Green Tribunal against the adjudication, and levying fee for environmental services, by introducing the Environmental Laws (Amendment) Bill, 2015 in the Parliament.

2. Para 2 of the Draft Note gives background of the proposal and Para 3 is about the assessment of implementation of the Act of 1986.

3. Para 4 of the Draft Note states about the proposal. Vide para 4.2, the following amendments have been proposed in the Act of 1986:-

- (i) Insertion of new sub-Section 2(i) to define "substantial damage" as damage to environment by which the community at large is affected or likely to be affected by such damage or its consequences due to direct violation of a specific statutory environmental obligation of the occupier or any other person; or any act or omission of the occupier or any other person or negligence on his part; or carrying out project or activities or operation or process by the occupier or any other person. The impact of such damage may extend to large distance from the origin of an act of omission or commission.
- (ii) Insertion of new sub-Section 2 (eb) to define 'Minor offence' to mean and include an act by a person causing litter and throwing the waste in public place leading to the defacement of a public place. The offence will also include possession, manufacturing and using restricted or prohibited substance such as plastic bags less than prescribed thickness, and electronic waste, and violating the methods of disposal of such substance in violation of the rules as prescribed by the Central Government.
- (iii) The Government has introduced a new system of continuous automated data capturing of air emission and water effluents through temper-free equipments to be installed by the industries. It is proposed to insert an explanation below subsection (1) of Section 11 for the admissibility of evidence of samples taken on the basis of readings or records generated by these equipments to assess and determine the damage.
- (iv) Insertion of Section 14A (1), (2) and (3) to prescribe different levels of monetary penalty based on the impact of substantial damage within 5.k.m.; 5 to 10 k.m. and beyond 10 k.m. The differential level of monetary penalty proposed is in line with the gravity of environmental degradation on account of release of pollutants. The impact of the level of pollution on land, air and water, and on human health could be limited to a specific distance from the origin of such polluting acts. The severe damage will create impacts to a larger distance, hence the proposal for differentiated monetary penalty.

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(v)

Insertion of Section 14B to prescribe monetary penalties for contravention and not causing substantial damage to the level of not less than amount of Rs.1 lakh and extending upto Rs.10 crore with a further penalty of Rs.10,000 per day during which such contravention continues.

- 46-

(vi) Insertion of new Section 14C & D to provide for scope of adjudication of monetary penalties, procedure of adjudication and assessment of adjudication. The proposal is in line with the principles of natural justice and elaborates the process of assessment of the damage which includes the extent of the impact, extent of injury on living creatures or public health and others, and fixing the level of penalty.

- Insertion of new Section 14E, F, G, H & I providing for (vii) qualification for the post of adjudicating officer, their methods of appointment, service conditions and resignation and It is proposed that the Central Government shall removal. appoint adjudicating officer/officers on the recommendation of selection committee. A person shall not be qualified for appointment as an adjudicating officer unless he is or has been or is qualified to be a district Judge; OR an officer in Central Government holding the post of not below the rank Director or an officer of State Government not below the rank of Joint Secretary or equivalent, and having legal qualification with adequate experience in environment matters; OR an officer in Central Government holding the post of not below the rank of Director or an officer of State Government not below the rank of Joint Secretary or equivalent who has exercised any quasijudicial functions and having adequate experience of handling the matters relating to environment. Similar provisions exists in the Securities Exchange Board of India Act 1992, where the officers of the said Board not below the rank of Division chief and appointed as adjudicating officer; and in the Foreign Exchange Management Act, 1999, where the officers of the Central Government are appointed as adjudicating authority.
- Insertion of a new Section 14J It is proposed to provide (viii) appellate jurisdiction to Tribunal established under NGT Act against an order of the adjudicating officer within the 90 days from the receipt of such order imposing penalty. It is provided that no appeal shall entertained be bv the Tribunal unless the appellant deposits 75% of the amount of monetary penalty imposed with the Tribunal which may be reduced or waived by the Tribunal. Corresponding amendments in NGT Act is ALSO proposed in Section 16 by inserting a sub-clause to provide for appellate jurisdiction of NGT against the orders of adjudicating officer as proposed under Section 14C of the Act of 1986 and a new Section 16A.
- Insertion of new Section 14K & L providing for crediting of the (ix) sums realized and realizable by way of monetary penalties as imposed adjudicating officer appointed by by Central Government into consolidated Fund of India. However, when adjudicating authorities are appointed by authority other than Central Government, and monetary penalties are imposed by adjudicating officer, such monies will be credited in such accounts as specified by the Central Government in consultation with concerned State Governments.

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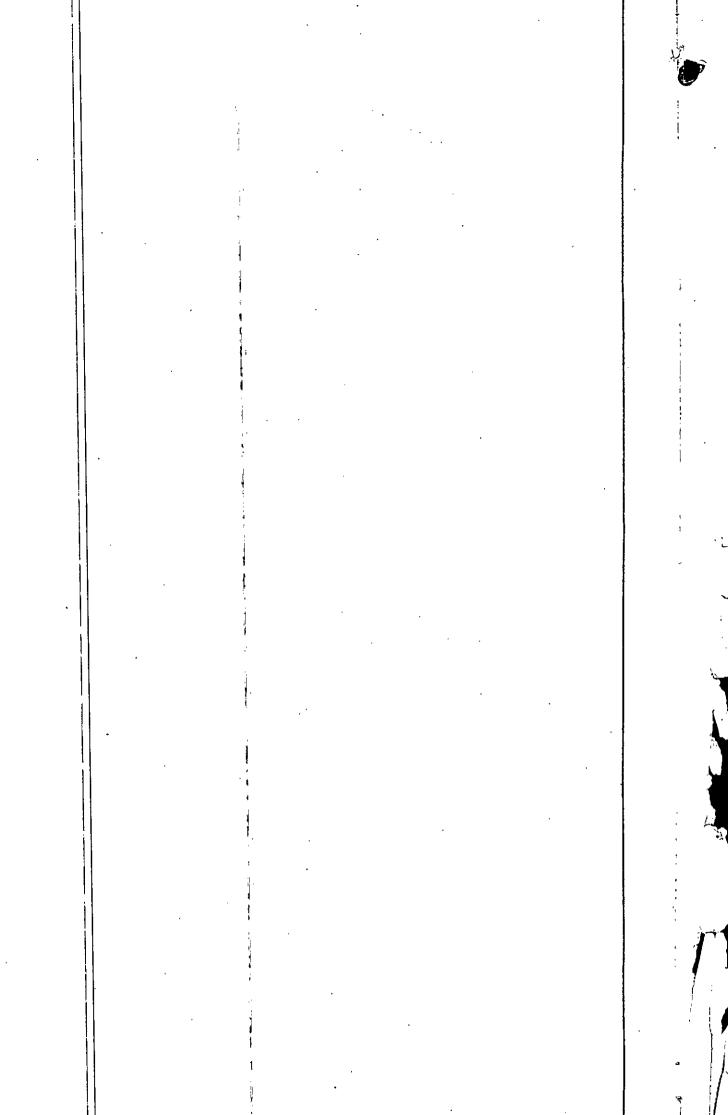
(x)

Substitution of Section 15 - The provisions of Section 15 is proposed to be substituted to incorporate amendments as proposed vide Section 14A & 14B to ensure that the criminal penal provisions are strengthened and are in consequence and continuity of the civil monetary penalties to create sufficient deterrent.

- (xi) A new Section 15B is proposed to be inserted to create a criminal offence prescribing for punishment to persons or company or officers of the company for their failure to pay monetary penalties imposed under Section 14.
- Insertion of new Section 20A, 20B and 20C is proposed to (xii) confer powers upon Central Government and authorities delegated under the rules to levy fees for environmental services and utilize the sums received as prescribed for. The fee can be levied by the Government or the delegated authorities in respect of applications, certificates, test reports, grant of approval, authorization, supply of statistics or documents, preparation and use of national databank on environment and copies. It is also proposed that such receivables shall be paid into a public account in Reserve Bank of India in the case where the service is rendered by the officers.
- (xiii) Substitution in Section 24(2) is proposed to keep the primacy of the laws prescribing for higher level of punishment.
- The following amendments have been proposed in the NGT Act: 4.
 - (i) Inserting a new clause (ia) in Section 16to provide for lying of appeal to NGT against the order of the adjudicating officer under sub-Section 3 of Section 14C of EP Act, 1986.
 - Insertion of new Section 16A to mandate the deposit of 75% of (ii) the monetary penalty imposed by the adjudicating officer as a pre-condition of appeal to NGT and to prescribe for the authority of the Tribunal to waive or reduce the mandated amount of monetary penalty to be deposited as a pre-condition of appeal.

5. Para 5 of the draft Note gives the justification. It has inter alia been stated that enforcement of conditions for Infrastructure Projects approvals under various environmental laws have not been beneficial for the cause of environment for the reasons of non-compliance of specific mitigation measures conditioned along with Contravention and defiance of specific performance measures to approvals. mitigate pollution have been found easier to continue rather than compliance. The criminal action as contemplated under Section 15 of Act of 1986 is a long-drawn process with negligible financial penalty. The dynamic equilibrium between environmental conservation and development of inter-generational equity requires effective deterrent punitive action based on swift procedure. Induction of a penal regime on the basis of 'polluter pays' to clean the environment will prove more effective in enforcement which will not hamper the development process Hence the proposal is for amendment in the Act of 1986 to either. incorporate civil monetary penalties which is an effective tool for enforcement of environmental laws to ensure compliance, by development projects, and without disturbing the operation for

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industries and economic activities having potential to pollute. The rational for the proposed provisions is to create sufficient effective deterrence, fair and equitable treatment of the regulated community and swift resolution of environmental problems.

-40-

6. Vide para 7 of the Draft Note, approval of the Cabinet has been sought to amend the Environment (Protection) Act, 1986 and the National Green Tribunal Act, 2010 by introducing the Environmental Laws (Amendment) Bill, 2015 in the Parliament.

7. Under the proposed new section 14C in the Act of 1986, appointment of 'adjudicating officer' has been proposed for the purpose of adjudication under the proposed sections 14A and 14B. Hence, it would be advisable to define the term 'adjudicating officer' also under Section 2 of the Act. Further, as the adjudicating officers shall perform the quasi-judicial functions under the Act, they should be legally / judicially trained to perform such functions. The administrative Ministry may also consider to make the officers of Indian Legal Services eligible for appointment as adjudicating officers.

8. It is mentioned that the Act of 1986 and the NGT Act were enacted by the Parliament under Article 253 read with Entry 13 in List I' (Union List) of the Seventh Schedule to the Constitution of India.

9. Subject to the observation made in para 7 above, it is a matter of policy and there does not appear any legal and constitutional objection to the proposal contained in the draft note for the Cabinet. Hence we may concur in the same.

(R.K. Srivastava) Deputy Legal Adviser 05.05.2015

Joint Secretary & Legal Adviser (Shrj G.S. Yadav)

Secy., Legie / Deptt.

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No. J-1109/45/2014-IA.I (Pt.) **Government of India Ministry of Environment, Forest and Climate Change Impact Assessment Division** ****

-49-

Subject:

Amendments in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 through a new legislation, namely, Environmental Laws (Amendment) Bill, 2015 to strengthen penal provisions for causing substantial damage to environment; to provide for imposition of monetary penalties and mechanism for adjudication thereto, and for provision of appeal to National Green Tribunal against the adjudication; and provision for levying free for environmental services.

The Ministry of Environment, Forest and Climate Change vide letter D.O. No. J-1103/45/2014-IA.I dated 27.04.2015 circulated Draft Note for the Cabinet to 12 Ministries/ Departments. The response from following three Ministries have been received:

(i) Ministry of Steel:

(ii)

Communicated no comments to offer. (F/A) Ministry of Mines: Concurred in the proposal contained in para 4.2 and 4.3 of the Cabinet Note. (F/B)

(iii) Ministry of Coal: Provided comments on substantial damage, excess production etc. (F/C)

2. The response of the remaining Ministries/ Departments has not been received so far. The Ministry of Home Affairs, Department of Economic Affairs, Department of Expenditure and Department of Industrial Policy & Promotion were personally visited by the official of the Ministry, last week for getting the comments expedited. However, no response has been received so far.

3. As desired by JS(BS) to put up the file for reminding the remaining Ministries/ Departments for expediting their comments. Accordingly, draft reminder is submitted for kind consideration and approval.

(Dr. Satish C. Garkoti) Director 19.05.2015

JS(MKS) - on tour JS(BS) - Link officer 22:5/15

The original file relating to amendments in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 through a new legislation, namely, Environmental Laws (Amendment) Bill, 2015 was submitted to Legislative Department, Ministry of Law & Justice vide note dated 29.04.2015, for legal vetting. The same has not been received so far.

-2- -50-

2. It may be relevant to mention that the matter was **earlier referred to Department of Legal Affairs** vide notes dated 16.01.2015 and 15.04.2015. Department of Legal Affairs had asked the Ministry to provide the comments of other Ministries on the Draft Cabinet Note.

3. The Cabinet Note was circulated to 12 Ministries/ Departments on 27.04.2015 and thereafter as mentioned at para 1 above, the file was referred to Legislative Department. The comments of 6 Ministries/ Departments namely Ministry of Mines; Ministry of Coal, Ministry of Steel, Ministry of Home Affairs, Department of Industrial Policy and Promotion and Department of Expenditure have been received. The comments of remaining six Ministries/ Departments namely Ministry of Road Transport and Highways, Ministry of Petroleum & Natural Gas, Department of Chemicals and Petrochemicals and Department of Economic Affairs have not been received so, far.

4. The comments received so far has been compiled in a tabulated form and annexed to the Cabinet Note as **Annexure-3**. There are no specific comments from the Ministries except the Ministry of Coal, which may kindly be seen in the Annexure-3 as referred above.

5. In view of the above, if approved, we may refer the file to the Deptt. of Legal Affairs to provide their comments on the Cabinet Note, placed opposite.

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(Dr. Satish C. Garkoti) Director 27.05.2015

JS(MK AS (HP) - on tom.

Submitted please.

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Subject:

Amendment in EIA Notification 2006 regarding extension of validity of Environment Clearance from 5 to 7 years as well as the applications received for extension in validity after the validity period up to three months.— Legal Vetting by Ministry of Law & Justice - reg.

The matter was earlier referred to Deptt. of Legal Affairs vide notes dated 16.01.2015 and 15.04.2015. The Deptt. of Legal Affairs asked for comments from other Ministries on the Draft Cabinet Note. The file on which Deptt. of Legal Affairs asked for the information is under submission to Legislative Department for legal vetting.

-3-

2. The Draft Cabinet Note was circulated to 12 Ministries/ Departments. The status on the comments may kindly be seen at para 3 on preceding page. It has been approved to refer the matter to Department of Legal Affairs (pg. 2/N ante).

3. We may now refer the Draft Cabinet Note to the Department of Legal Affairs, Ministry of Law & Justice to provide their comments on the Draft Cabinet Note. Λ

(Dr. Satish C. Garkoti) Director 28.05.2015

lanal 28. 5.15

<u>Jt. Secretary & LA, M/o Law & Justice, D/o Legal Affairs, Shastri Bhawan, New</u> <u>Delhi.</u>

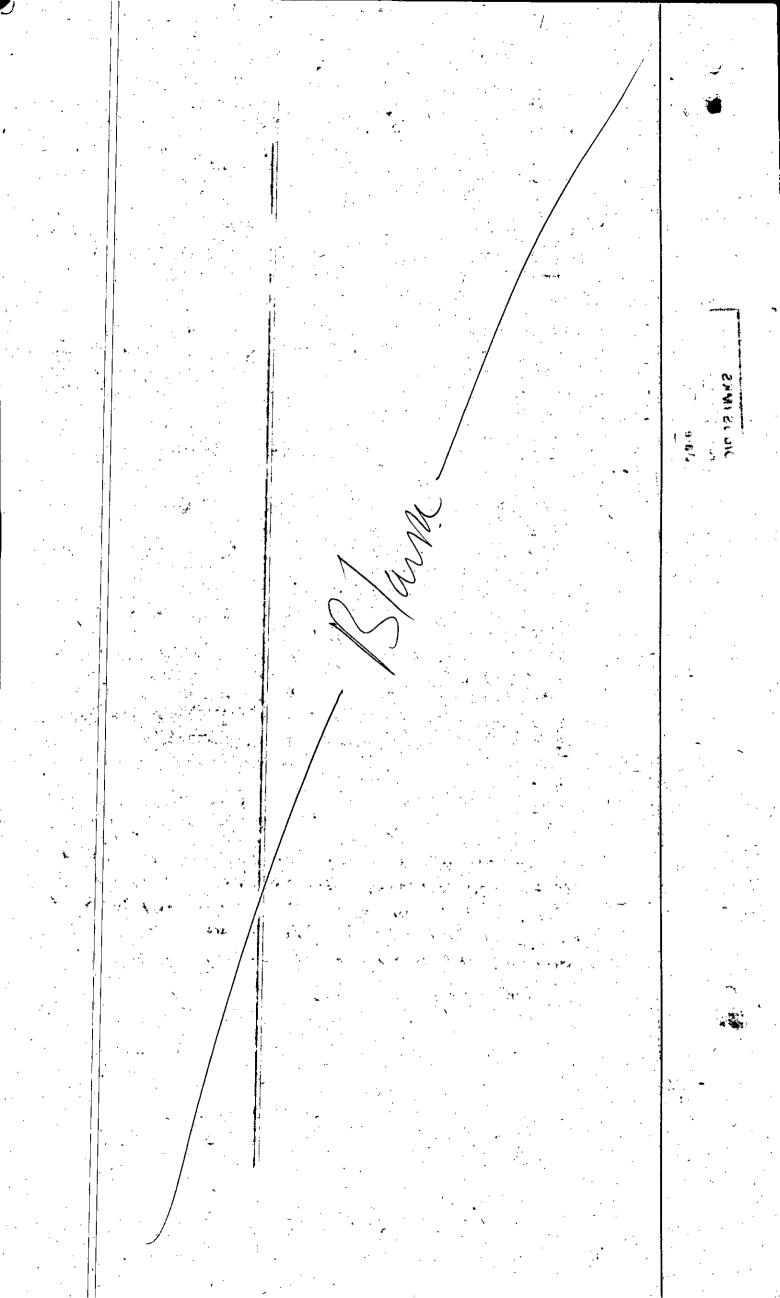
This matter was discussed with JSE LA, begislative Dept. MOLJ by JS(MKS), when the underRigned was also present. It was informed that D/O Legal Affairs has alterady possided their objection on the file, which is being thether vetted in the Legislative Dept. Thuefore, thus is no need of Regulting this file to them.

For Kind in Dermation, pol.

Seen. Mana

JS (MKS

Dis (SG)



Subject:

Amendment in EIA Notification 2006 regarding extension of validity of Environment Clearance from 5 to 7 years as well as the applications received for extension in validity after the validity period up to three months.— Legal Vetting by Ministry of Law & Justice - reg.

The original file on the subject is under submission to the Legislative Department, Ministry of Law & Justice for legal vetting. The matter was discussed with Shri K. R. Saji Kumar, Jt. Secretary & LA by JS(MKS) on 29.05.2015, when the undersigned was also present.

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- 4 -

2. During the discussions, it was decided that a representative of MoEFCC may present during the process of legal vetting of the proposed bill. Accordingly, the undersigned was present during the legal vetting. The first working draft has been completed today by the Legislative Department and placed opposite at F/X. The draft sent by the Ministry is also placed below at F/Y.

3. During the process of legal vetting, the points of discussions were on the following:

- (i) Minor offence: The word "offence" has been substituted by the word "violation". [Section 2 Definitions (ii)(eb)]
- (ii) Substantial damage: The definition of substantial damage has been corrected by insertion and deletion of certain words, which may kindly be seen. [Section 2 Definitions (iii)(i)]
- (iii) The word "monetary" from the word "monetary penalty" has been deleted in the entire draft.
- (iv) The new Section, 14A inserted for penalty for causing substantial damage has been revised by providing clarity with respect to distance by adding "radial distance from the outer boundary of the project area". Further, maximum ceiling of the penalty has been added. <u>May like to see Section 14</u> (A) (1)-(3) which provides for change in the amount of penalty.
- (v) A new Section, 14(B) has been inserted for penalty for causing minor violations.
- (vi) Regarding crediting sums realized by way of penalties, as provided in the draft submitted by Ministry under Sections 14(K) and 14(L) has been revised as Sections 14(L) and 14(M) in the first working draft. It has been changed to the extent that the penalty credited to such fund as may be created by the Central Government and all such sums shall only be utilized for protection, improvement and management of environment. <u>May like to see Sections 14</u>(L) and 14(M) of the first working draft in this regard.

4. The first working draft prepared by Legislative Department is submitted for kind consideration and approval, so that the same could be appraised to Legislative Department for taking further necessary action at their end.

(Dr. Satish C. Garkoti) Director 05.06.2015

<u>JS (MKS)</u>

Subject:

Amendment in EIA Notification 2006 regarding extension of validity of Environment Clearance from 5 to 7 years as well as the applications received for extension in validity after the validity period up to three months.— Legal Vetting by Ministry of Law & Justice - reg.

The original file on the subject is under submission to the Legislative Department, Ministry of Law & Justice for legal vetting. The matter was discussed with Shri K. R. Saji Kumar, Jt. Secretary & LA by JS(MKS) on 29.05.2015, when the undersigned was also present.

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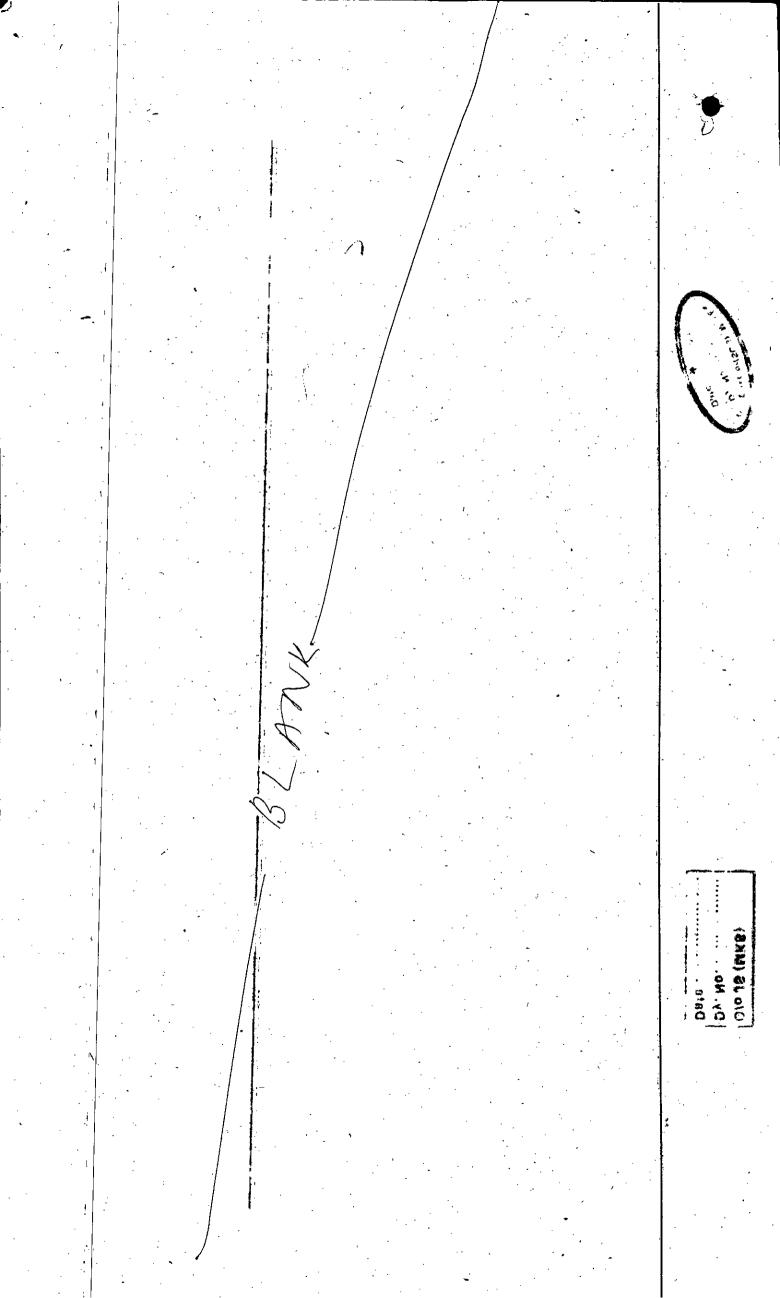
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- (ii) Substantial damage: The definition of substantial damage has been corrected by insertion and deletion of certain words, which may kindly be seen. [Section 2 Definitions (iii)(i)]
- (iii) The word "monetary" from the word "monetary penalty" has been deleted in the entire draft.
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- (v) A new Section, 14(B) has been inserted for penalty for causing minor violations.
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4. The first working draft prepared by Legislative Department is submitted for kind consideration and approval, so that the same could be appraised to Legislative Department for taking further necessary action at their end.

(Dr. Satish C. Garkoti) Director 05.06.2015

<u>JS (MKS)</u>



File No. J-11013/45/2014-IA-I Part

Reference note on preceding page.

The first working draft received from Legislative Department suggested various substantive changes which have been examined in consultation with the Consultant on the subject (Shri V.K. Bhasin, former Secretary, Legislative Department, Ministry of Law & Justice). The draft sent by the Ministry to the Legislative Department is placed below at **Flag-Y** and the first working draft collected from the Legislative Department is at **Flag-X**.

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2. The following observations are made for consideration of the Legislative Department, namely:-

- (1) The word "further to amend" has been used in the long title of the Environment Laws (Amendment) Bill, 2015. The Environment (Protection) Act, 1986 (hereafter referred to as EP Act) as per records available in this Ministry and chronological index available on the website of the Legislative Department, is being amended for the first time. As per the Legislative Precedents, the word "further to amend" is used when an Act had already been amended. Since, the Environment (Protection) Act, 1986 as per records available is being amended for the first time, the Legislative Department may revisit the incorporation of the word "further to amend" instead of "to amend" in the Long Title of the Draft Bill.
- (2) This Ministry has proposed to confer power upon the adjudicating officers to levy monetary penalties. The Legislative Department has amended the said definition, so as to confer power upon the adjudicating officers to impose fine under new definition of section-2(2) of EP Act instead of monetary penalties. The fines are imposed by the Courts under section-15 of the EP Act and in the new proposed section 15, Under clause (2) of Article 20 of the Constitution, no person shall be prosecuted and punished for the same offence more than once. Besides, the scheme of the proposed amendments is to confer power upon the adjudicating officers to impose monetary penalties and not the fine which is left to upon the Courts under section-15 of the EP Act.
- (3) The Legislative Department has amended the definition of the "microorganism" given in the Draft Bill forwarded by this Ministry. The definition of the micro-organism incorporated by this Ministry in the Draft Bill is broadly on the lines of the Rules for the Manufacture, Use, Import, Export and Storage of Hazardous micro-organisms Genetically engineered organisms or cells, 1989 made in exercise of the powers conferred by sections 6, 8 and 25 of the Environment (Protection) Act, 1986 with a view to protecting the environment, nature and health, in connection with the application of genetechnology and micro-organisms. The said definition has stood the test of time. The Legislative Department may indicate the legal reasons for not accepting the definition of the "micro-organism" incorporated by this Ministry on the lines of aforesaid Rules.
- (4) On revisiting the provisions of imposing monetary penalties provided in the Draft Bill forwarded by this Ministry for (A) the damages which does not cause substantial damage as provided under clause-14B; and (B) the clause 14A (4) for the monetary penalties for minor offences, it is felt that both the above provisions overlap. It is therefore, proposed to omit the provisions contained in the clause 14A (4) relating to monetary penalty for minor offence and definition of minor offence to bring out more clarity in the provisions relating to imposition of penalties.
- (5) The Legislative Department has forwarded a revised draft of definition of "substantial damage to environment". The revised draft definition of the "substantial damage to environment" drafted by the Legislative Department

done away with the difference between damages of the "substant. environment" and damages which do not cause "substantial drage to environment". A comparison of the definition of the "substantial dam. to environment" given by this Ministry and Legislative Department is reitera. as under:tion of the "substantial damage to tion of the "substantial damage environment" proposed by this to environment" proposed by Ministry Legislative Department Jubstantial damage to environment" ubstantial damage to environment" means substantial damage means damage to environment to environment (whether by release of (whether by release of environment _____ pollutant environment or pollutant or environment pollution or handling of environment pollution or handling hazardous substance or any other of hazardous substance or any substance or otherwise), by which other substance or otherwise), in thé community at large is affected or the manner 88 may he likely to be adversely affected by prescribed by which the such damage or its consequences environment is affected or likely (including damage to the human to be adversely affected by such beings, other living creatures, plants damage or by its consequences and micro-organism, property and due to public health) due to di rect violation of a specific statutory rect violation of a specific statutory environmental obligation of environmental obligation of the the occupier or any other person; or occupier; or y act or omission of the occupier or y act or omission of the occupier or any other person or negligence on his negligence on his part (whether by part (whether by an accident or an accident or otherwise); or otherwise); or \boldsymbol{c} arrying out project or activities or frying out project or activities or operation or process by the occupier operation or process by the or any other person; occupier; A Comparison of the aforesaid definition reveals that the Legislative Department has omitted (i) the words "community at large" the words " or any other person". (ii) the brackets and the words "(including damage to the human beings, (iii) other living creatures, plants and micro-organism, property and public health)". The omission of the aforesaid words mentioned at (i) and (ii) above has restricted the meaning of the "substantial damage to environment". The intention of this Ministry is that substantial damage caused by any other person in addition to occupier should also be covered and be within the scope of the EP Act. The expression "community at large" has been used under the definition of "substantial question relating to environment" given under section 2(1)(m) of the National Green Tribunal Act, 2010. This Ministry therefore feels that the expression "community at large" and "damage by any other person" may be suitably incorporated in the definition given by the Legislative Department. Since, the expression "community at large" has been used under the NGT Act, 2010, but not defined therein it would not be advisable to define the "community at large" in the proposed amendments also. The words "(including damage to the human beings, other living creatures, plants and micro-organism, property and public health)" are illustrative only and therefore, we may retained and suitably incorporated in the definition of the "substantial damage to the environment" which are broadly based on the expressions used in the definition of "environment" and "hazardous

substances" in the EP Act.

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(6)

The Legislative Department has omitted following clause 3 of the Draft Bill forwarded by this Ministry which reads as under:-

Amendment of Section 3.	3. In section 3 of the principal Act, in sub-section(2), after clause(xiii), the following clause shall be inserted, namely:-
	"(xiii a) levy of fee for any matter falling under clause (i) to (xiii) and (viv);".

The section 3 (2) of the EP Act confers specific powers upon the Central Government to take measure in respect of certain matters specified under that section. Section 12 (2) (b) of the EP Act contains provisions relating to levy of fee in relation to laboratory reports but no such specific power has been conferred upon the Central Government. In view of above, it is proposed to confer specific power upon the Central Government to levy of fee for any matter falling under clause (i) to (xiii) and (viv) of sub section 2 of section 3 of the EP Act to avoid any ambiguity on levy of fee by the Central Government. In case the aforesaid draft is not acceptable to the Legislative Department, they may draft a suitable provision conferring power upon the Central Government to levy of fee for all or any matter falling under clause (i) to (xiii) and (viv) of sub section 2 of section 3 of sub section 2 of section 3 of the EP Act.

- (7) The Legislative Department has omitted the word "monetary penalty" and instead incorporated the word "penalty". The expression "monetary penalty" has been used in the Draft Bill forwarded by this Ministry
 - (i) on the lines of latest Legislative precedent i.e. section 41 of Clinical Establishments (Registration & Regulation) Act, 2010 (23 of 2010).
 - (ii) to bring clarity marginal heading of the existing section 15 of the EP Act which contains the expression "penalty for contravention of the provisions of the Act and the rules, orders and directions" though this section contains provisions for imposition of fine and imprisonments.

The expression "monetary penalty" has been used consciously in the context of adjudging of monetary penalties by the adjudicating officers and to maintain a distinct clarity between imposition of "monetary penalties" by the adjudicating officers and imposition of fine by the courts.

(8) The Legislative Department has omitted clause 14C (1) (b) of the Draft Bill which reads as under:-

"(b) In cases where the authority (other than the Central Government) constituted under sub-section (3) of section 3 or any other authority or officer of a State Government is empowered to give or grant clearance, approval, authorisation, permission, registration under the Act or rules made under or directions issued thereunder, such authority may, impose penalties under sections 14A and 14B (if so specified by the Central Government in such notification) and for the purpose of adjudging penalties under sections 14A and 14B, appoint, by notification, on the recommendations of the Selection Committee, one or more adjudicating officers for holding an inquiry in the prescribed manner after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any monetary penalty".

The attention is invited to definition of adjudicating officer proposed in clause 2 the Draft Bill which has been broadly agreed (except changing adjudging "penalties" to "fine") to by the Legislative Department which reads as under :-

"(2) While holding an inquiry the adjudicating officer shall have power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document which in the opinion of the adjudicating officer, may be useful for or relevant

to the subject-matter of the inquiry and if, on such inquiry, he is satisfied that the person has failed to comply with the provisions of any of the sections specified in sub-section (1), he may impose such penalty as he thinks fit in accordance with the provisions of any of those sections."

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The aforesaid provisions relating to definition of the "adjudication officer" and clause 14C (1) (b) of the Draft Bill drafted by the Legislative Department appears contrary to each other.

The intention of this Ministry is that in cases where the power for taking measures under section 3(2) of the EP Act has been given to the authorities constituted under section 3 (3) of the EP Act, such authorities should be empowered to appoint the adjudicating officers also. Therefore, clause 14C (1) (b) of the Draft Bill may be retained with suitable drafting changes, if required by the Legislative Department.

This Ministry has proposed that the penalties imposed by the adjudicating officers appointed by the Central Government should be credited to the Consolidated Fund of India which is based on the legislative precedents (see Securities and Exchange Board of India Act, 1992 and Competition Act, 2002). This Ministry feels that penalties cannot be imposed to augment the resources and utilize them for enhancement of any particular purpose. Therefore, this Ministry feels that monetary benefits under the proposed amendments by credited to Consolidated Fund of India.

0) This Ministry has proposed that under clause 14L of the Draft Bill that all sums realised by way of penalties, imposed by the adjudicating officer appointed by the authority (other than the Central Government) constituted under subsection (3) of section 3 shall be credited to such account, as may, in consultation with concerned State Government be, specified, by notification, by the Central Government in view of the provisions of the Constitution relating to Crediting of sums in the Consolidating funds of States.

3. In view of the paragraph 2(4) above, it is submitted that we may delete Para 4.2.2 from the draft Cabinet note being consequential to Para 2(4) above from the Cabinet note.

4. In view of the above, it is submitted that we may request Legislative Department to concur the proposal in the note for Cabinet along with the Draft Bill incorporating the above suggestions of this Ministry at the earliest and make suitable drafting/consequential changes therein.

5. Submitted please. 6/15 (Satish C. Garkoti) Director 6.15 MOST 10' veversiblec Pare

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This matter was further discussed in the Chamber of Secretary(EFCC) on 26.06.2015 when JS(MKS), JS(BS) and undersigned was present. During the discussion, the entire draft Environment Laws (Amendment) Bill, 2015 was discussed. It was noted that the comments of Department of Economic Affairs and Ministry of Power on the Draft Cabinet Note have been received. The comments and response of Ministry on each item is placed below at **F/A** and **F/B**. The prominent suggestions of Department of Economic Affairs which were in principle agreed upon were:

- Deletion of para 4.2.3 of the Draft Cabinet Note suggesting incorporation of provision for explanation in Section 11 (1) seeking admissibility of evidence of samples taken on the basis of readings or records generated by continuous automated data capturing equipments.
- (ii) Instead of suggesting adjudicating officer for imposing the penalty in respect of projects or activities, the adjudicating authority having technical and judicial members may be considered.
- 2. The following emerged during the discussions:
 - (i) Deletion of para 4.2.3 of the Draft Cabinet Note.
 - (ii) Incorporation of adjudicating authority in place of adjudicating officer having any two of the three members i.e. Administrative, Technical and Judicial.
 - (iii) The minor violation has been defined as under:

"minor violation" shall mean and include an act or omission or commission by a person causing damage to environment due to failure of compliance of provisions of this Act or rule made or order or direction issued thereunder, as prescribed, and which is not substantial damage or non-substantial damage.

(iv) Incorporation of the following para under Section 14(c) for causing non-substantial damage:

'be liable to a penalty of an amount not less than an amount of **one lakh rupees and may extend to five crores rupees** and in case of continuing contravention with additional penalty which may extend to one lakh rupees every day during which the contravention continues.'

- (v) The substantial damage and minor violation be defined by framing of rules under this Act.
- (vi) Penalty for causing substantial damage to environment under Section 14(A)(3) i.e. damage to environment within an area beyond 10 km of radial distance the amount of penalty may be changed to 15 crores to 20 crores instead of 25 crores to 30 crores.
- (vii) Crediting sums realized by way of certain penalties by the adjudicating

authority shall be credited to the Consolidated Fund of India.

new Section 14 L & M providing for crediting of the sums realised and realisable by way of monetary penalties as imposed by adjudicating authority appointed by Government of India into a fund as may be created by Central Government and such sums shall only be utilised for the protection, improvement and management of the environment.

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(viii) Under Chapter III with respect to amendment to NGT Act, 2010, the following para shall be deleted:

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"Provided that the Tribunal may, for reasons to be recorded in writing, waive or reduce the amount of penalty to be deposited under this section"

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2. Amendment of Section 21 and Section 22 as provided in the Environment Laws (Amendment) Bill, 2015 enclosed as Appendix-3 of the Cabinet Note have been deleted.

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In view of the above, the Draft Cabinet Note including Appendix-3 pertaining to Environment Laws (Amendment) Bill, 2015 has been revised and submitted for kind consideration and approval before forwarded to Legislative Department, Ministry of Law & Justice.

(Dr. Satish Č. Garkoti) Scientist 'F' 08.07.2015

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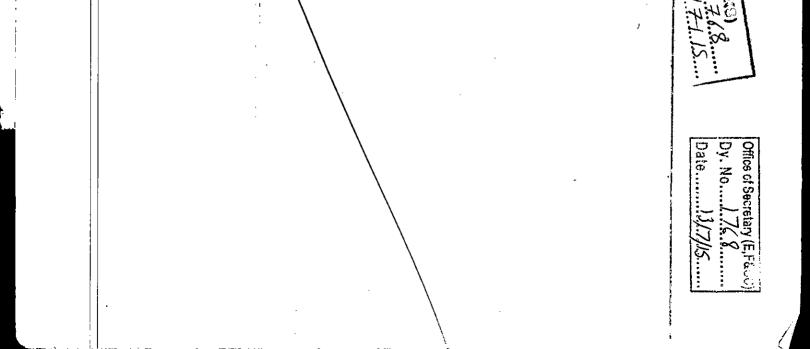
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Legislative Department

Subject: Amendments in the Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 through the Environment Laws (Amendment) Bill, 2015 to strengthen penal provisions for causing substantial damage to the environment and to provide for imposition of penalties and mechanism for adjudication thereto, and for provision of appeal to National Green Tribunal against the adjudication and provision for levying fees for environmental services, etc.

Ministry of Environment, Forest and Climate Change (the administrative Ministry) has forwarded a draft Note for the Cabinet seeking its approval to amend the Environment (Protection) Act, 1986 and the National Green Tribunal Act, 2010 for our comments/views. Accordingly, it is proposed to introduce an Amendment Bill in Parliament.

2. The administrative Ministry has, inter alia, proposed to make the following amendments namely:----

(A) Amendment in the Environment (Protection) Act, 1986:

(i) to define the terms 'adjudicating authority', 'microorganisms', violations', 'non-substantial damage', 'selection committee', 'minor 'substantial damage' and 'Tribunal' under section 2 of the Act;

(ii) insertion of new sections 14A to14M relating to penalty for causing substantial damage to environment, penalty for causing minor violations, penalty for non-substantial damage, constitution of adjudicating authorities, factors to be considered by the adjudicating authority, qualifications for appointment of adjudicating authority and term of office, selection committee for appointment of members of the adjudicating authority, salary, allowances and other terms and conditions of service of the adjudicating authorities, filling up of vacancies, resignation and removal of the members, appeal to the National Green Tribunal, crediting sums realized by way of penalties to a Fund created by the Central Government for utilising the fund for the protection, improvement and management of the environment and crediting sums realised by way of on the spot penalties to the notified accounts in consultation with the State Governments;

(iii) substitution of section 15 with new section 15 and 15A providing for punishment for causing substantial damage to environment and failure to pay penalty imposed under the Act;

(iv) insertion of new sections 20A, 20B and 20C to provide for levy of fees in respect of matters for which no levy of fee and crediting fee in respect of matters involving rendering of any service by the authorities into the notified account:

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(B) Amendment in the National Green Tribunal Act, 2010:

(v) consequential amendments in the Act giving reference to the order made under sub-section (**5**) of the proposed new section 14D of the Environment (Protection) Act, 1986; and

(vi) insertion of new section 16A imposing certain conditions to entertain appeal by the Tribunal.

3. On the basis of the proposal of the administrative Ministry contained in the draft Note for the Cabinet, a draft Bill namely, the Environment Laws (Amendment) Bill, 2015 has been prepared in this Department and is placed at Flag 'A'. In the draft Bill, keeping in view the legislative practice, the word "monetary penalty" has been modified so as to read 'penalty'. The word monetary convey the meaning "relating to money or currency". Therefore, the word penalty used with reference to the amount convey the intended meaning of the penal provisions. The draft Note for the Cabinet has been amended in pencil.

4. The Department of Legal Affairs has examined the proposed and has concurred in the proposal.

We may also concur in the proposal.

7. Svinislas Alus 11/8/15.

(Y. Srinivasa Rao) Assistant Legislative Counsel 1(2.08.2015

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DLC (Shri R.K.Pattanayak)

JS & LC (Shri K.R. Saji Kumar)

Secretary

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Secretary/LD

M/o Environment, forest and Climate Change-M/10 Lawstrustice, Legislative Deptt. U.O. No. 1(37)/2075-L.I dt-D2/09/2075

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SUBJECT:

Note for the Cabinet for Amendments in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 through a new legislation, namely, Environmental Laws (Amendment) Bill, 2015 to strengthen penal provisions for causing substantial damage to environment; to provide for imposition of monetary penalties and mechanism for adjudication thereto, and for provision of appeal to National Green Tribunal against the adjudication; and provision for levying fee for environmental services.

The approval of Hon'ble MEF on the Draft Cabinet Note was sought on 13.04.2015 (pg. 40/N ante). Based on the approval, the Cabinet Note was circulated to 12 Ministries/ Departments namely Ministries of Mines, Petroleum & Natural Gas, Power, Coal, Steel, Road Transport & Highways, Urban Development, Home Affairs and Departments of Chemicals & Petrochemicals, Industrial Policy & Promotion, Economic Affairs (Budget Division) and Expenditure on 27.04.2015 and the file was referred to Department of Legal Affairs and Legislative Department.

2. The comments of eight Ministries/ Departments namely. Ministry of Mines, Ministry of Coal, Ministry of Steel, Ministry of Home Affairs, Department of Industrial Policy and Promotion, Ministry of Power, Department of Expenditure and Department of Economic Affairs were received and the same were suitably incorporated in the Draft Cabinet Note and the Draft Environment Laws (Amendment) Bill. After the amendment, approval of Hon'ble MEF were sought on 03.07.2015 and the revised Draft Cabinet Note was sent to Legislative Department, Ministry of Law and Justice (pg. 60-63/N ante).

3. The Legislative Department, Ministry of Law and Justice has processed the note and sought approval of Hon'ble Minister Law & Justice on 02.09.2015 (pg. 70/N ante). The corrected Draft Cabinet Note and Environment Laws (Amendment) Bill, 2015 (Working Draft dated 13/28 August, 2015) are placed below at **F/X** and **F/Y**.

4. As the 'monetary' word has been deleted by the Legislative Department, the same has been replaced in the Cabinet Note. Based on the correction, the Note for the Cabinet has been finalized and placed below at F/Z for consideration and approval. After approval, a copy of approved Cabinet Note will be sent to PMO and Cabinet Secretariat. The draft D.O. letter to PMO and Cabinet Secretariat is also placed below for kind consideration and approval.

V عام 19/015 (Dr. Satish C. Garkoti) Approval of Hon'ble (Dr Hinster is Solicited on the Cabinet Note and about of Scientist 'F' 03.09.2015 letters to PHO & cabinet sects. Wan Manoj 4/5/15. s.g. 115-(next page)





SUBJECT:

Amendments Note for Cabinet the for in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 through a new legislation, namely, Environmental Laws (Amendment) Bill, 2015 to strengthen penal provisions for causing substantial damage to environment; to provide for imposition of penalties and mechanism for adjudication thereto, and for provision of appeal to National Green Tribunal against the adjudication; and provision for levying fee for environmental services.

No. J-11013/45/2014-IA.I

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The Legiślative Department, Ministry of Law and Justice had earlier processed the note and sought approval of Hon'ble Minister Law & Justice on 02.09.2015 (pg. 70N/ ante). The corrected Draft Cabinet Note and Environment Laws (Amendment) Bill, 2015 (Working Draft dated 13/28 August, 2015) submitted for seeking the approval of Hon'ble MEFCC(pg.71-72N/ante).

Hon'ble MEFCC approved for incorporation of following sub-2. section, in section 11 of the principal Act [Power to take sample and procedure to be followed in connection therewith]:

(a) after sub-section (4), the following sub-section section shall be inserted, namely:-

"(5) Nothing contained in sub-section (3) or sub-section (4) shall apply to a sample taken by way of electronic record generated by tamper-free equipments installed by the industries and authenticated by the authority for continuous automated data capturing of air emission, water effluent and disposal on land.

- i. **Explanation1**. For the purposes of this section--the expression "the electronic record shall have the meaning" assigned to it under the Information Technology Act, 2000.
- ii. Explanation2.For the purposes of this section and sections 11,12 13 and 25, sample, includes electronic record generated by tamper-free equipments installed by the industries and authenticated by the authority for continuous automated data capturing of air emission, water effluent and disposal on land.

In view of the above, it is submitted that we may request 3. Legislative Department to kindly concur in the proposal in the note for Cabinet along with the Draft Bill incorporating the above suggestions of this Ministry from legal angle at the earliest and make suitable drafting/consequential changes therein.

4. Submitted please.

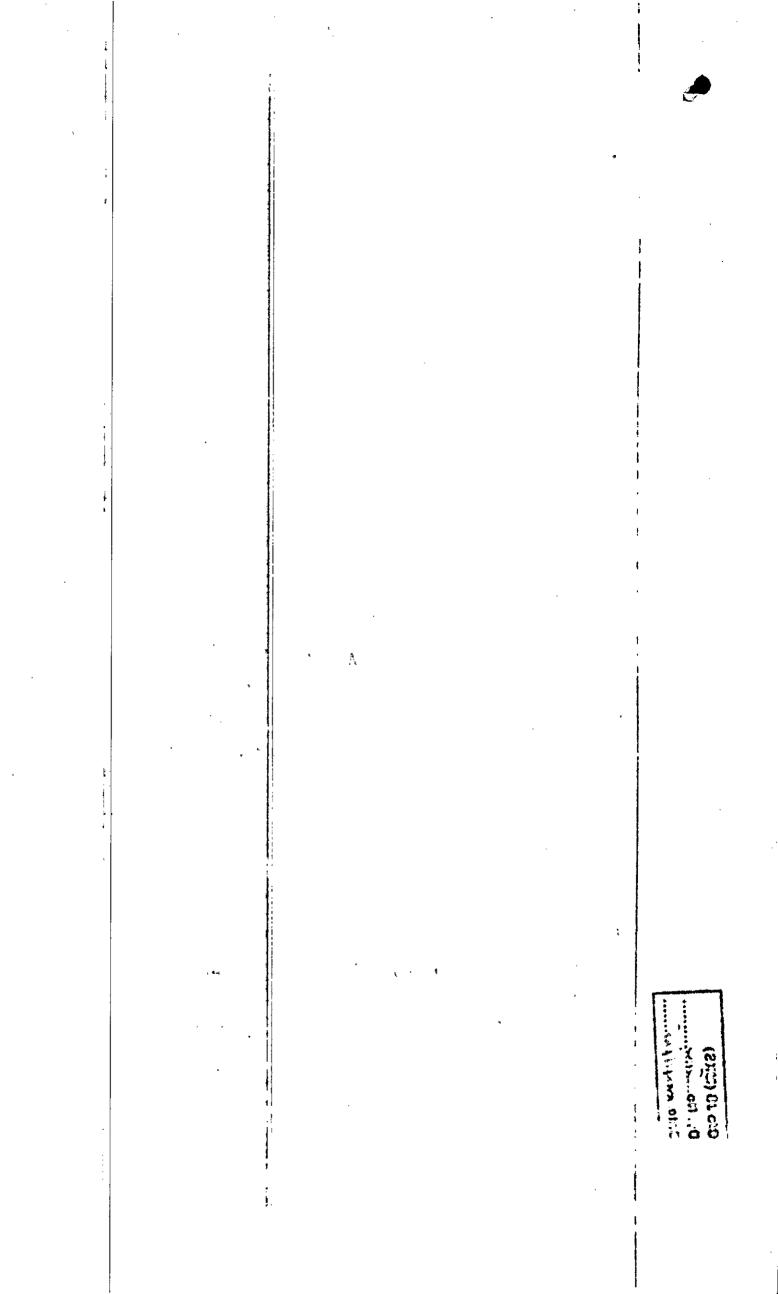
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14/09/2015 (Satish C. Garkoti) Scientist 'F'

14.09.2015

Joint Secretary & LA, Legislative Department, M/o Law and Justice, Shasthri Bhavan, New Delhi

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-76-NO. J - 11013 /45/2014 - 1A. I Ministry of Environment, Forest and climate Change

Subject: Drast Cabinet Note or amendment in E(P) A and NGT through a new legislation namely, Environment Laws (Bonerdment) Bill, 2015 to ebungthen penal provisions for causing substantial damage to ancironment, to ponvide on imposition of penalty and mechanism on adjudication etc.

Requence discussions in the matter today regarding sending a copy of deast cabinet Note to Niti Ayog. 2. The original file is under submission to Ministry of Law and Justice.

3. A copy of revised cabinet NOK based on the comments Jon ministries/ sept1 and legally vetted by Legis/shire Dept1. is placed below, which may be, it apponed could be sent to Nititigong. 4. As devided, and deast DO letter from JS (MRS) to Sh. Titendre Kumar, Adwiser, Niki Ayog Requesting their comments is submitted for Kind considuates and appond; if

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F. No. J-11013/45/2014-IA.I

A presentation was made on 29.09.2015 at Prime Minister's Office on the proposed amendment in the Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 vide the Environment Laws (Amendment) Bill, 2015. In the meeting, a decision was taken that the proposed amendment being introduced in the form of Bill, a draft of the same be posted on the website of the Ministry, soliciting the opinion/comments of the public/stakeholders. It was decided to give 15 days notice period for the purpose.

In view of the above decision, it is proposed to post the draft of the 2. proposed Amendment Bill (which is at Flag-'A') giving 15 days notices inviting comments/suggestions. It is also proposed to put up a notice on the website saying that "It is a draft of the proposed amendment in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010. Comments are invited for next 15 days. The proposed amendments are with ap objective to provide for effective deterrent penal provisions and introducing the concept of grades . mo'netarv penalty for violation and contraventions. The substantial damage w monetary penalty along with the penal provisions besides ensuring fanl compliance to environmental norms. The amount collected as penalty carraiso be used for remediation and reclamation of polluted sites and improvement of environment. It is proposed that the detail of categorization of violations into minor, non-substantial and substantial, the process of quantification and assessment and corresponding provisions of penalty will be given through the the evenciae o rules to annini re eretion and make an unambiguous

4. May like to solicit the approval of Hon'ble Minister for posting the proposition Amendment Bill on Ministry's website for 15 days to invite comments from public/stakeholders.

(Manoj Kumar Sing) Joint Secreta 06.10.2015



Special Secretary (HKP)

Secretary, MoEFCC

MOS (IC) EF & CC File Dy. No. 31 D Date 07 UCT 2015

Office of SS (HKP)

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- 82 -1. The case was discussed with secretary, to day. 55 2. The proposal to engage the services of sh. Shesin as consultant I brough single source is being made in mew of his earlier engagement in Delains the Bill. drabting the Bill. 3. The scope of work for this engagement is as follows: (a) compilation of suggestions received, drafting suifable response to them and recommendation on each of the suggestion. (b) Redrabting of the Bill and atsistance in & redrabting of the Cabinet whe. (C) presentation l'assistance in presentations before secretary, Honble Minister and Other authorities as and when required. 4. In view of more than 130 suggestions. received (some og them running in more than so kager); the task involved is voluminous and technical in nature requising throongh legal phowledge of the subject. 5. May like to approve the proposal to engage sh. Bhasin as Consultant with Consultancy fee 9 Re 8 Cace (exclusive 2 service tax) for this assignment with above TOR (Aug-3). 27.11.15 Secretary Joanana Joanana 27/11/15 Jampi 127/11/15 Solution Solution Solution Solution Jampi 127/11/15 Secretary

No. J-11013/45/2014 -TA (I) (ft.) Government of India Ministry of Environment, Forest and Climate Change

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010 Dirctor(SCG), M/0 E&A Da. 19 11115. Draft Environmental Laws (Amendment) Bill, 2015-Comments on a draft of the proposed amendment in Environment (protection) Act, 1986 and National Green Tribunal Act, 2010 were invited from 07.10.2015 for the next 15 days. The same have been received and compiled. As, instructed, it is proposed that the services of Shri H.K. Bhasin, former Law Secretary, be sought for the review of the comments received.

(Sandeep GR) Assistant Secretary 9.11.2015



Note above.

2. The services of Shri V.K. Bhasin, former Secretary, Legislative Department, Ministry of Law & Justice were availed for preparing amendment in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 in the form of a draft Environmental Laws (Amendment) Bill and paid an amount of Rs. 10 lakhs as a consultancy fee for the same. Shri Bhasin was also involved in preparation of draft Cabinet Note in this regard.

3. The said Cabinet Note was circulated to ten Ministries/Departments and the comments received from them were taken into consideration and a revised Cabinet Note was prepared. The draft Environmental Laws (Amendment) Bill which was a part of the Cabinet Note was also vetted by Ministry of Law & Justice. A presentation was made in the PMO before Pr. Secretary to Prime Minister, wherein it was decided to put the draft bill in the public domain for 15 days for seeking the comments of public. Accordingly, the said bill was put in public domain and more than 100 comments have been received and which are being compiled.

4. This matter was discussed with JS(MKS) and it was decided that the services of Shri Bhasin may again be availed for examining the comments received from public and accordingly, compiling a consolidated draft bill. If approved, we may engage the services of Shri V.K. Bhasin, former Law Secretary for the same and a consultancy fee of Rs. 8 lakhs may be sanctioned on single source basis.

This engagement should be for examining the termining the termining the Bill / Cab. (Satish C. Garkoti) the commante, redrabiling the Bill / Cab. (Satish C. Garkoti) were (if required) and assistance through Director its presentation in Cabinet [Parliament. 19.11.2015 Submitted for consideration and approval. Tettinols Wante Manaf 19/11/15 (19.11.)5

-83. Ref. notes on pre-page IFD's initial observations are as under: strate 2014 1) PD has not indicated the Schedule of Completion (1)15 of task. ᠕ᢅ Schedule of payment not indicated. 2) 3) Object head and availability of und not indicated (4) It Seems that the payment of Service Tax is not applicable in this case, as we are paying to individual and he may not have the necessary Regn. No. cte. In view of the above, we may minest PD to address the above observations of IFD and early return of file for consideration in (FD Submitted pl G 2000 30/11/20 5 So, IFD. DS (#D) AS 2017 11. 9. 2112 Dy. No.14.6.3 1)5(149) Date.1.12/15

No. J-11013/45/2014-IA.I

Subject: Draft Note for the Cabinet regarding amendments in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 through a new legislation, namely, Environmental Laws (Amendment) Bill, 2016 to strengthen penal provisions for causing substantial damage to environment; to provide for imposition of monetary penalties and mechanism for adjudication thereto, and for provision of appeal to National Green Tribunal against the adjudication; and provision for levying fee for environmental services.

The amendment in Environment (Protection) Act, 1986 is proposed because it is felt that the said Act lacks effective deterrent and penal provisions. In the situations of violation, either economic activities are required to be put to a halt, as provided under Section 5, or criminal cases are required to be instituted under Section 15 the available remedies, as under Section 5 are time consuming, and not in the larger public interest because either industry units have to shut down even in cases where contraventions are minor and reversible. It was therefore felt to amend the Environment (Protection) Act, 1986 to incorporate civil penalties which are more effective tool for enforcement of environmental laws. In addition, it has also been proposed to insert a provision for levying of fee for environmental services. In this background, the draft Cabinet Note along with draft bill proposing amendment was prepared and circulated earlier on 27.04.2015.

2. After receiving the comments from different Ministries and vetting of draft bill by the Ministry of Law & Justice, the proposal was presented before the Principal Secretary to Prime Minister on 29.09.2015. During the meeting, it was decided to put up the draft amendment bill in public domain for 15 days inviting the comments. The Bill was therefore hosted in the Ministry's website and Ministry had received more than 130 comments on the draft bill. Based on examination of the comments, the new draft Cabinet Note and Draft Amendment Bill, 2016 was prepared.

3. The revised Draft Note for the Cabinet for amendment in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 was again circulated to 14 ministries/ departments *vide* letter dated 12.04.2016 for seeking their comments by 19th April, 2016.

4. Out of the 14 ministries/ departments, only 5 ministries/ departments have responded, as under:

S.No.	Ministry/Department	Response		
1.	Ministry of Coal	Responded vide letter dated 19.04.2016 conveying that the comments offered by them earlier on the previous draft Cabinet Note dated 5.5.2015 are reiterated. There has been no change/ comments on the revised Cabinet Note.		

VF/ DO letter (X)

2.	Department of Economic	Responded vide letter dated 3 rd May,
2.	Affairs	2016 supporting the proposal subject to following:
		(i) The note should clearly spell out the financial implications of the proposed Amendments to the Government of India. The financial
		obligations arising out of the Amendments in any would need to be met from within the allocated grants/budget of the Ministry.
		(ii) Department of Expenditure may be consulted while fixing Terms and Conditions of the members of the Adjudicating Authority.
		 (iii) Section 14-ZF of the Draft Amendment Bill Erroneously mentions that all sums realized by way of penalties imposed by the adjudicating authority or Adjudicating Authority shall be credited to the Consolidated Fund of India. It should be clearly mentioned in the note that II sums realized by way of penalties imposed by Adjudicating Officer/Officers for defaults and contraventions not causing environmental pollution and the Adjudicating Authority for defaults and contraventions causing environmental pollution shall be credited to the Consolidated Fund of India. (iv) Paragraph 4.2.1 of the Note mentions that the proposed monetary penalty for defaults and contraventions not causing environmental pollution is in a wide band of Rupees 10,000 to Rs. 2Cr. This band is too broad thereby
		giving excessive discretionary power to the proposed Adjudicating Officer/Officers. This may need re- examination.
		(v) Section 14(C2) of the Draft Amendment Bill deals with the qualifications for Adjudicating Officer for imposition of penalties for default and contraventions not causing environmental pollution. As per the proposal, Central Government will

(confel.)

appoint one or more Officers not below the rank of a Joint Secretary to the Government of India or equivalent for adjudging penalties or default and contraventions not causing environmental pollution. Considering the high level of penalties prescribed ranging from Rs.10,000 to 2 crore, the discretion within the broad band of penalties including lesser penalties for MSME's and taking into account that environment protection is an extremely sensitive matter it is suggested that the Adjudicating Authority in this case should also be a multi-member body having technical and judicial members.

(vi) There should be more clarity on the imposition of lesser penalty in the cases of MSME's as given in Section 14
B of the Draft Amendment Bill.
Presently it leaves the penalty amount to the discretion of the Adjudicating Officer/Officers without clearly defined guidelines.

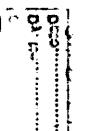
(vii) The note should provide more clarity on the appointment, composition and qualifications for the members of the proposed panel of experts in the field of environment as defined under section 14 W.

(viii) The proposed definition of 'substantial damage' under section 15 of the Draft Amendment Bill need to be unambiguous so that the intentions in the Act are not frustrated by wrongful interpretation of the same.

(ix) Measures may be undertaken to educate and create public awareness for persons handling waste.

(x)While making any amendments
on penalties, there is a need to ensure
that this will not have any detrimental
impact on our development needs.Ministry of Home AffairsResponded vide letter dated
19.04.2016 conveying that matter does
not pertain to judicial division and the
letter is forwarded to LWE, MHA for
necessary action.Comments awaited.

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I. Ministry of Power	Responded vide letter dated
	18.04.2016 enclosing the comments
	sent earlier vide letter dated
	19.06.2015. It has been informed that
	while the present revised draft note is
· · ·	under examination, further comments
	if any, shall be communicated
	separately as soon as possible.
5. Ministry of Steel	Responded vide letter dated
	18.04.2016 informing that they have to
	consult Steel CPSEs in the matter and
	sought 15 days' time to furnish the
1	comments.

5. It may be seen from the above, except D/o Economic Affairs, no specific comments received from ministries/ departments. Ministry of Coal reiterated their earlier response, though the draft Cabinet Note has been thoroughly revised. If approved, we may send reminder to all (except D/o Economic Affairs and Ministry of Coal) for expediting their comments on the revised Cabinet Note by 12.05.2016. Accordingly, draft reminder is submitted please.

05/05/2016 (Dr. Satish C. Garkoti) Scientist 'F' 8.SM14 5.05.2016 <u>লো</u>জা(JS (MKS) 1. Commente of only two Ministries has been opter received. The three Himistories has responded have sought more time. 2. A reminder from secretary, MoEFEC to the secretaries of the departments whose comment has not yet been received is placed belaw ferapproval pl. Manuf As (MMIC) 5.5-16 Draff d.o leller 85 Sol 1411 below for king appro 10 ecreta ≤fc() Secretary - 5-11 (m/ks) ~ (Sh) - in

Ministry of Law & Justice Department of Legal Affairs

Dy.No. 20054/Adv - 'B'/2016

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Ministry of Environment, Forests & Climate Change has sought our comments on the draft note for the Cabinet containing a proposal for amendments to the Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 through a new legislation, namely, Environmental Laws (Amendment) Bill, 2016 to strengthen penal provisions for causing substantial damage to environment, to provide for imposition of penalties and mechanism for adjudication thereto, and for provision of appeal to National Green Tribunal against the adjudication, and provision for levying fee for environmental services, by introducing the Environmental Laws (Amendment) Bill, 2016 in the Parliament.

2. It has been stated that the proposal contains amendment in the Sections 2, 3, 6, 14, 15, 18, 21, 22, 24 & 25 of the Environment (Protection) Act, 1986 and insertion of new Sections 14A, 14B, 14C, 14D, 14E, 14F, 14G, 14H, 14I, 14J, 14K, 14, 15B, 20A, 20B, 20C therein and insertion of new Section 16A in National Green Tribunal Act, 2010. Para 2 of the Draft Note gives background of the proposal and para 3 is about the implementation of the Environment (Protection) Act, 1986 and justifications for the proposed amendments. Para 4 of the Draft Note states about the proposal. Vide para 4.2, the following amendments have been proposed in the Act of 1986:-

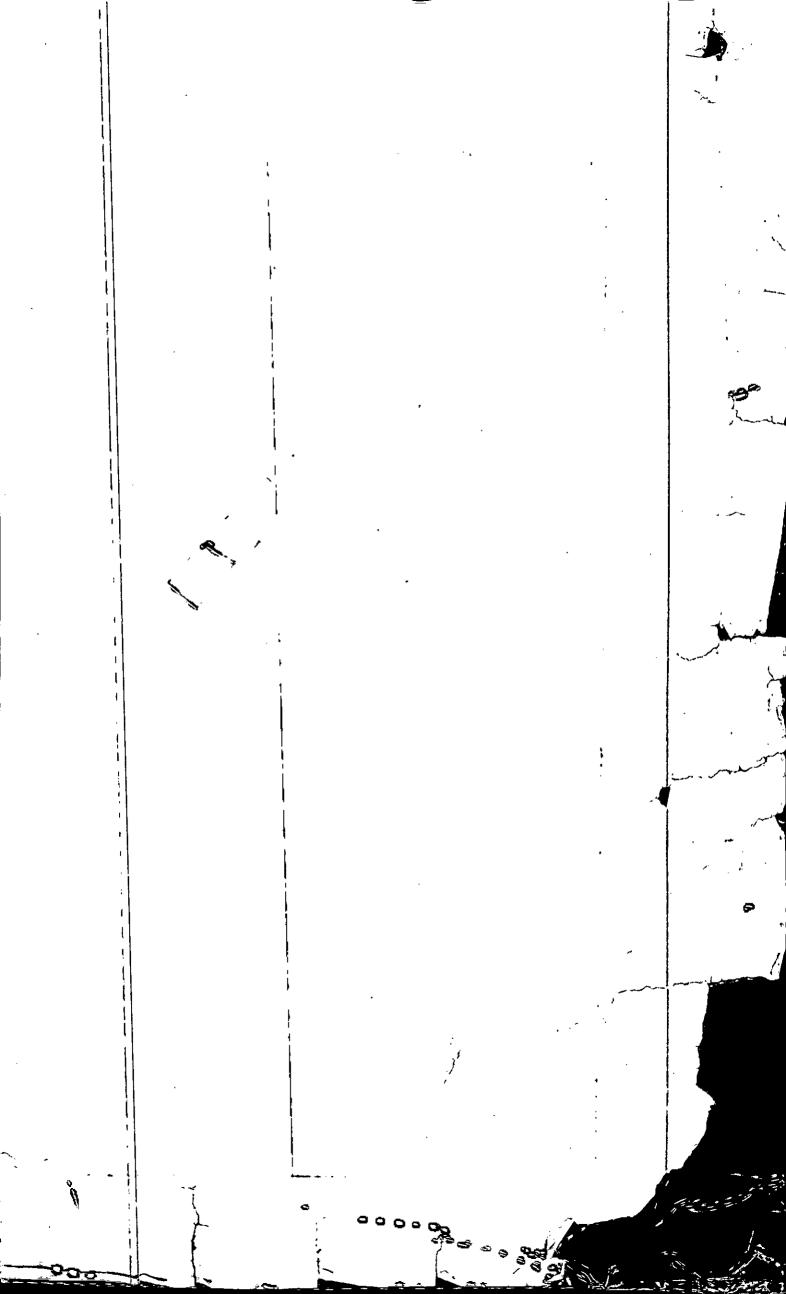
- (ii) The defaults or contraventions mentioned in the Schedules to the draft Bill have been categorized in 30 different categories. Important among them are (i) default in complying with terms and conditions of clearance, approval or authorization, permission, licence or registration to carry on any project or activity or operation or process (ii) carrying out project or activities or operation or process without obtaining clearance, approval, authorization or registration (iii), default in installation of the pollution control devices for protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution (iv) default in operating the pollution control devices etc.
- (iii) The Central Government shall, within six months of the proposed law, appoint one or more officers not below the rank of a Joint Secretary to the Government of India or equivalent, to be an adjudicating officer or adjudicating officers for holding an inquiry after giving the occupier or his agent and any person concerned or Board or authority or committee or body a reasonable opportunity of being heard for the purpose of imposing any penalty. Jurisdiction of each adjudicating officer shall be specified by the Central Government. The person aggrieved by the orders of the Adjudicating Officer shall be entitled to make an appeal to the Adjudicating Authority after deposit of 25% of the penalty imposed by the Adjudicating Officer. The penalties can be recovered as arrear of land revenue.
- (iv) It is proposed to make provision for penalties for making a default or contravention in complying with any provision of this Act or rules made or any order or direction issued there under or terms and conditions of the clearance, approval, authorization, permission, registration made, given or granted to him in pursuance of this Act or under any notification issued there under and which cause environment pollution. The amount of penalty has been specified for such defaults/contravention ranges from the minimum amount of penalty proposed of



- (v) Rs.50, 000/- and maximum penalty of Rs.10 crore. Such defaults or contraventions have been specified in the proposed new sections 14G to 14U in the Draft Environment Protection (Amendment) Bill, 2016. Some of such important defaults or contraventions which cause environment pollution are (i) environment pollution in air (ii) environment pollution in water (iii) environment pollution by municipal solid wastes etc.
- (vi) It is proposed to insert a new section 14-B in the E (P) Act to provide imposition of lesser penalty in the cases of micro enterprise, small enterprise and medium enterprise having regard to its size, operation, process, volume and quality of effluent, and turnover of such enterprise, if, such enterprise gives an undertaking for not making any default or contravention in future. No lesser penalty shall be levied in case of subsequent default or contraventions. The micro enterprise, small enterprise and medium enterprise shall have the same meaning assigned to it in section 7 of the Micro, Small and Medium Enterprises Development Act, 2006.
- (vii) It has also been proposed that the Central Government shall appoint one or more Adjudicating Authorities for adjudication/imposition of penalties. Such Adjudicating Authorities shall be three member bodies which would consist (i) one member in the field of law who would be sitting or retired District Judge, (ii) one member having experience in administration of matters relating to Environment who has held the post not below the rank of Joint Secretary or equivalent under the Central Government or State or in a reputed National or State level institution; (iii) one member being an officer not below the rank of Scientist Grade "F" or equivalent post in the Ministry or Department of the Central Government or State Government dealing with environment or any other person having Doctorate degree with five years of experience or Master of Engineering or Master of Technology and having at least ten years' experience in the field of environment and forests (including pollution control, hazardous substance management, environment impact assessment, climate change management, biological diversity management and forest conservation).
- (viii) The person aggrieved by the orders of the Adjudicating Authority shall be entitled to make an appeal to the National Green Tribunal after depositing 50% amount of the penalty imposed. It has also been made mandatory for the Adjudicating Authority before imposing penalty to obtain the views of the authority or board or commission established under a Central or State Act which has been conferred powers or assigned functions for the prevention, control and abatement of environment pollution of the nature referred to such application or appeal, and such views shall be given in thirty days of making the reference by the Adjudicating Authority.
- (ix) Any penalty imposed and payable can be recovered together with simple interest due thereon from the date of failure to pay such penalty till the date of recovery of the penalty, as an arrear of land revenue. All sums realized by way of penalties, imposed by the Adjudicating Officer or Adjudicating Authority shall be credited to the Consolidated Fund of India.
- (x) Every defendant or defendants or respondent or respondents, upon whom a penalty has been imposed by the Adjudicating Officer or Adjudicating Authority shall cease and desist from making default or causing contravention for which such penalty has been imposed.

3. Para 5 of the Draft Note provides for punishment for failure to pay penalty. It has *inter alia* been stated that punishment for failure to pay penalty imposed shall be imprisonment for a term not less than one month but may extend to three years, or with fine which shall not be less than 1 crore rupees and in case of such failure to pay the penalty continues, with additional fine which may extend to fifty lakh rupees for every day during which such failure continues after the first such failure or contravention. In case a company fails to pay the penalty such company shall be punished with fine which shall not be less than one crore rupees and in case such failure to pay the penalty continues, with additional fine which failure to pay the penalty continues, with additional fine which failure to pay the penalty continues after the first such failure or contravention. In case a company fails to pay the penalty such company shall be punished with fine which shall not be less than one crore rupees and in case such failure to pay the penalty continues, with additional fine which may extend to fifty lakh rupees for every day during which puch failure continues after the first such-failure or contravention. Further further further failure continues after the first such-failure or contravention.

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imprisonment for a term which shall not be less than one month but which may be extended to six months, or with fine or with both. Punishment for failure to comply with directions of the Central Government shall be imprisonment for a term which shall not be less than six months but which may extend to, three years, or with fine or with both and in case of such failure continues with an additional fine which may extend to ten lakhs for every day during which such default continues after the first such default or contravention. Punishment for tempering of machine or equipment or apparatus or meter or any other device installed or used or operated for recording environment pollution or preventing environment pollution has also been provided from three years to five years or with fine or with both.

Vide para 6 of the Draft Note, it is proposed to confer power to levy fee in respect 4. of certain matters specified under clauses (viii) to (xiv) of sub-section (2) of section 3 of the EP Act and also to make a provision to levy fee for the services provided under the EP Act. Para 7 of the Draft Note states about the preparation of a panel of scientists or experts for giving advice on environmental matters.

Vide para 9 of the Draft Note, approval of the Cabinet has been sought to amend 5. the Environment (Protection) Act, 1986 and the National Green Tribunal Act, 2010 by introducing the Environmental Laws (Amendment) Bill, 2016 in the Parliament with such consequential changes of drafting nature as may be considered necessary by the Legislative Department

Under the proposed new Section 14C, the Adjudicating Officer shall perform the 6. Since the Adjudicating Officer would by quasi-judicial functions under the Act. legally/judicially trained to perform such functions, hence, the Administrative Ministry may consider making the officers of the Indian Legal Service eligible for appointment of Adjudicating Officers.

It is mentioned that the Act of 1986 and the NGT Act were enacted by the 7. Parliament under Article 253 read with Entry 13 in List I (Union List) of the Seventh Schedule to the Constitution of India.

It may be recalled that we had vide FTS No. 1176/Adv. B/ 2015 examined the earlier 8. Draft Note circulated in April 2015 and had concurred with the same with certain observations. However, telephonically, it has been informed that drastic changes have ocer. made in the earlier Draft Note and the revised Draft Note & Draft Bill 2016 prepared mil have been forwarded for consideration of this Department.

Subject to the observations made in para 6 above, it is a matter of policy and 9. does not appear any legal and constitutional objection to the proposal contained in the note for the Cabinet. Hence, we may concur in the same.

(Poonam Suri)

Dated 07.06.2016

May kindly see.

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Deputy Legal Acvisor Shri G.S. Yadav(J S&LA) Hon' Ble MLJ Law Secretary







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<u>No. J-11013/45/2014-IA.I</u>

Subject: Draft Note for the Cabinet regarding amendments Environment (Protection) Act, 1986 and in National Green Tribunal Act, 2010 through a new Environmental namely, Laws legislation, (Amendment) Bill, 2016 to strengthen penal provisions for causing substantial damage to provide for imposition of environment; to for penalties and mechanism monetarv adjudication thereto, and for provision of appeal to National Green Tribunal against the adjudication; and provision for levying fee for environmental services.

Ministry of Environment, Forest and Climate Change has proposed to amend Environment (Protection) Act, 1986 as it is felt that the said Act lacks effective deterrent and penal provisions. In the situations of violation, either economic activities are required to be put to a halt, as provided under Section 5, or criminal cases are required to be instituted under Section 15. The available remedies, under Section 5 and Section 15 are time consuming and not in the larger public interest because either industry units have to shut down even in cases where contraventions are minor and reversible. It was therefore felt to amend the Environment (Protection) Act, 1986 to incorporate civil penalties, which are more effective tool for enforcement of environmental laws. In addition, it has also been proposed to insert a provision for levying of fee for environmental services. In this background, the draft Cabinet Note along with draft bill proposing amendment was prepared and circulated earlier on 27.04.2015.

2. After receiving the comments from different Ministries and vetting of draft bill by the Ministry of Law & Justice, the proposal was presented before the Principal Secretary to Prime Minister on 29.09.2015. The meeting was attended by the CEO, Niti Ayog, the Secretary Ministry of Mines, the Secretary Ministry of Road & Transport, the Secretary Ministry of Power, representative of Ministry of Coal. A decision was taken in the meeting to put up the Draft Amendment Bill in public domain for fifteen days inviting comments. The draft amendment bill was hosted on the Ministry's website on 07.10.2015 inviting public comments. The Ministry received more than 130 comments during the period. The comments received were examined in the Ministry and after incorporating the necessary changes, new Draft Cabinet Note and Draft Amendment Bill, 2016 was prepared.

3. The revised Draft Note for the Cabinet for amendment in Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 was again circulated to 14 ministries/ departments *vide* letter dated 12.04.2016 for seeking their comments by 19th April, 2016.

4. Out of the 14 ministries/ departments, comments from two ministries/ departments, namely Ministry of Petroleum and Natural Gas and Department of Chemicals and Petrochemicals

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(Contd.)

have not been received. While pursuing the matter for comments, Department of Expenditure has informed that they have the same comments as provided by the Department of Economic Affairs. Further, the Department of Revenue has also provided comments in the matter, though the note was not circulated to them. The comments received have been compiled in a tabulated form and annexed to the Cabinet Note as Annexure-III.

5. Draft Cabinet Note incorporating the suggestions/ comments of ministries/ departments is submitted for kind consideration and approval.

12/07/2016 (Satish C. Garkoti) Scientist 'F' 12.07.2016

JS (MKS) 1. The Graff cabinet nose has been finalised incorporating comments received from different Ministries. 2. The draft Bill is now to be netted by the repartment of legislative department,

MOLGJ. 3. Approval of Horible Winister is solicited On the proposed to send the DCN along with drast for vetting of the Drast with Bill for vetting of the Drast Bill by the legislative separtment. Hend

12.7.16

AS (MMK)

The matter under consideration in this file is regarding finalisation of a Note for the Cabinet to amend Environment (Protection) Act, 1986 and National Green Tribunal Act, 2010 through a new legislation namely Environmental (Laws Amendment) Bill, 2016.

- 2. The important arguments for drafting this Bill are:
- (i) Remedies available under the provisions of Environment (Protection) Act, 1986 are either criminal in nature or for closure of industries which may not be feasible, nor appropriate nor in the larger public interest in many cases.
- (ii) The criminal action contemplated is a long drawn process with a negligible financial penalty.
- (iii) There is a need to incorporate civil penalties which are more effective to enforce environmental laws.
- (iv) This will enable creation of a structure for sufficient and effective deterrence.

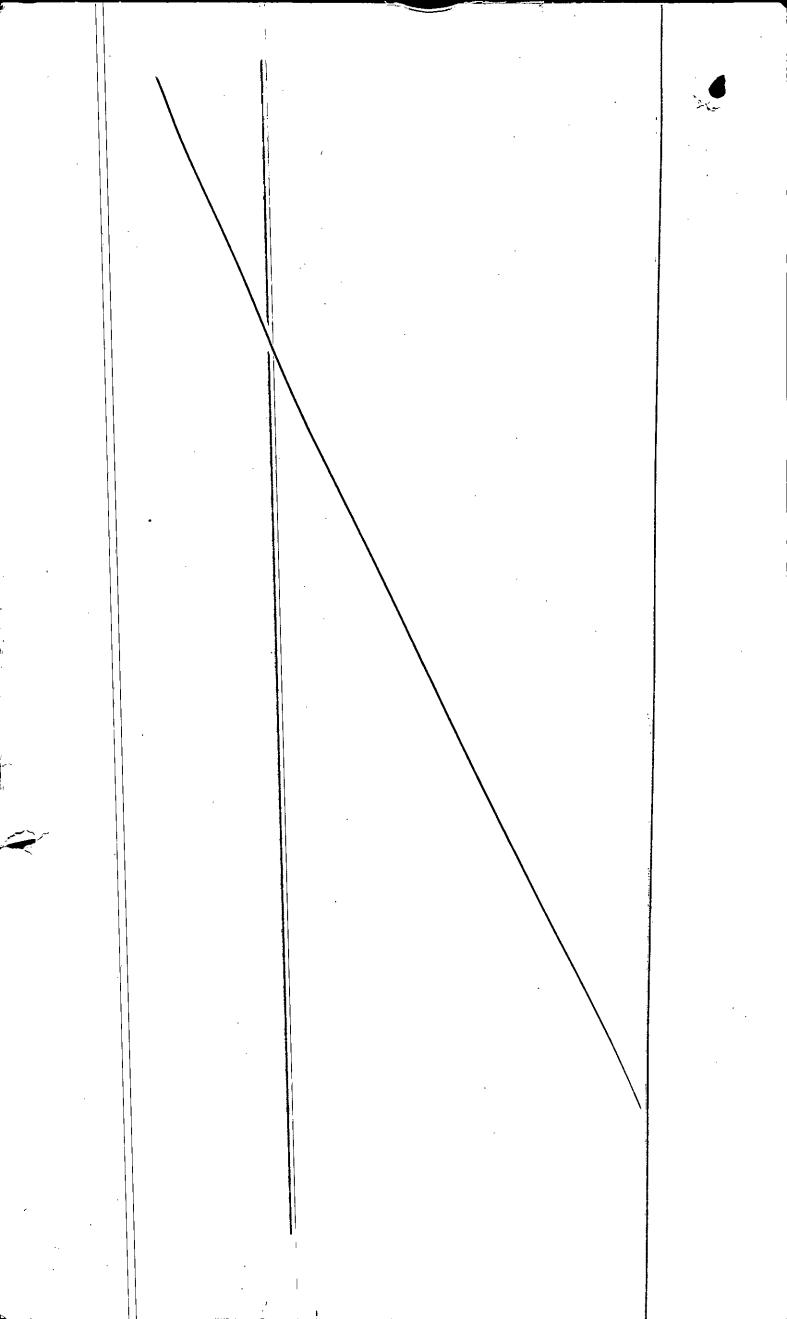
3. Various provisions of the Environment (Protection) Act are proposed to be amended. The important provisions proposed are:

- (i) Penalties for default in complying with any of the provisions of the Act or Rule which do not cause environmental pollution ranging from ₹ 10,000/- to ₹ 2.00 crore.
- (ii) Penalties for default and contravention of the provisions of the Act or rules or notification causing environmental pollution ranging from ₹ 50,000/ to ₹ 10.00 crore.
- (iii) Imposition of lesser penalty for micro, small and medium enterprises.
- (iv) Creation of legal apparatus and institutional structures to implement the provisions of the Act like adjudicating officers, adjudicating authorities etc.
- (v) Appeal against the adjudicating authority will lie before the NGT.

(vi) Punishment for environmental pollution causing substantial damage to environment, punishment for failure to pay penalty, punishment for furnishing false information, punishment for failure to comply with the direction of Central Government and punishment for tampering of machine, apparatus, meter or any other advice.

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(vii) Levy of fees for services provided in Environment (Protection) Act.



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Dy. No Date...

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(viii) Preparation of panel of Scientists or Experts for giving advice on environmental laws to the Central Government, adjudicating authorities, adjudicating officers or authorities after payment of fees prescribed.

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Draft Cabinet Note is placed below. If felt appropriate, Secretary / Minister may have a detailed presentation before a view is taken on the matter.

(Dr. M.M. Kutty) Addl. Secretary (MMK) 18.7.2016

ary (EF8CC) hve may have a brief presentition followed by Answerian an 27th July at 4:80 PM. Both As an well as JS (Mem, BS GB) my Le called Price he the meeting the subject features of the proposal adaption drept fratures of the proposal adaption drept fratures of the proposal included . It him annulment hill may be included . It him. (JS-bir), Will, of course, he time. Secretary (EF&CC) pl-issue notice including to Adu (2H) of 19. Adv (MH) 19-2-16 20 716 Js mks (on tour) Dri (SCG) Meeting notice isoned Forkind inonmation, pl. <u>WW</u> <u>W</u> 24/2/2018 Meeting Couldney take place on 27.7.16. May like te request for angher date and time JJ (MKS) AS (MMM) 1-8:16

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