

THE MANAGEMENT OF
ENVIRONMENT
RELIEF FUND

DEBADITYO SINHA



Cover image: Ruth Waterman Memorial Statue, Bhopal

The statue depicting a woman with a child trying to escape the toxic gas was created by Sanjay Mitra and Ruth Waterman, a Dutch sculptor. It became the first public memorial statute of the Bhopal gas leak disaster of 1984 and was installed in 1986 outside the Union Carbide factory.

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Report on The Management of Environment Relief Fund

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This report is an independent, non-commissioned piece of work by the Vidhi Centre for Legal Policy, an independent think-tank doing legal research to help make better laws and improve governance for public good.

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1. About this Study

The Public Liability Insurance Act (“**PLIA**”), 1991 is a landmark in environmental legal development in India because it makes industries handling hazardous chemicals absolutely liable for accidents. However, a law is only as good as its implementation, and the Ministry of Environment, Forest & Climate Change (“**MoEFCC**”) itself has admitted that the implementation of the PLIA has proved to be a challenge. In a press release dated 7th September 2015, the MoEFCC stated that it had issued directions to industries and Pollution Control Boards to ensure compliance with the PLIA. It appeared that many owners had failed to subscribe to public liability insurance policies out of ignorance. Apart from this, there had been no expenditure from the fund as of the date of the press release, despite the Environment Relief Fund (“**ERF**”) having Rs 573 crore as of 31st March 2015. As of March 2019, the ERF has a corpus of Rs 810 crores.

It is important that such a large sum of money is utilized appropriately to serve the purpose for which it was intended, thereby ensuring that the principle of absolute liability is translated from its judicial and statutory expression to relief on the ground. However, there has been no systematic study of the utilization and effectiveness of the ERF, not even by the Comptroller and Auditor General of India. At the same time, there is neither a comprehensive record of accidents occurring at industries involving hazardous chemicals, nor an assessment of the damage that such accidents may have caused to life or property.

This study examines the working of the ERF and the PLIA to generate more information about the following aspects of this innovative legal mechanism:

- a. Compliance by industries handling hazardous chemicals with their obligation to subscribe to public liability insurance policies
- b. Compliance with insurance companies with their obligation to deposit money in the ERF
- c. Management of the ERF by the Fund Manager

The information was collected using secondary information available in published articles and available on the websites of MoEFCC, United India Insurance Company Limited (“**UIICL**”) and the Insurance Regulatory and Development Authority (“**IRDAI**”). A file inspection was carried out at the headquarters of UIICL in Chennai in June 2019 where copies of annual audit reports prepared by Chartered Accountants, communications with MoEFCC, insurance companies and other important correspondence were physically verified. Copies of documents like Form III were also obtained. Information was also obtained by filing applications under the Right to Information Act (“**RTI**”), 2005 with the MoEFCC, IRDAI, and National Green Tribunal (“**NGT**”) New Delhi. This information was carefully analyzed and deliberated upon before being produced in this form in this report.

On this basis, this report analyzes challenges to the enforcement of the PLIA and the utilization of the ERF and makes recommendations to strengthen public liability insurance mechanisms and ensure compliance with the PLIA.

2. Introduction

A. What is the Environment Relief Fund?

The ERF¹ was established under the PLIA. Founded on the principle of no-fault liability, and in response to the Indian Supreme Court's ("SC") pronouncements on absolute liability (discussed below), the PLIA requires industries dealing with hazardous substances to subscribe compulsorily to public liability insurance. The Fund created by such subscriptions is to be utilized to provide immediate relief to the victims of accidents involving hazardous substances as provided in Section 7A of the Act.

B. Historical Background

Absolute Liability in India (Oleum Gas Leak Case)

The PLIA builds on the judgments delivered by the Supreme Court of India ("SC") in the *M.C. Mehta v. Union of India*^{2 3} and the *Union Carbide Corporation vs Union of India*⁴ along with *Charan Lal Sahu vs Union of India & Ors*⁵, which broke new ground in environmental jurisprudence by introducing the standard of absolute liability. The Act also appears to have been enacted in response to an observation by the SC regarding the need for legislation on public liability insurance,⁶ which would allow victims of industrial accidents to obtain immediate relief without having to wait for the tedious court process to reach its conclusion (discussed in more detail in the next section).⁷

There were two incidents of leakage of oleum gas in Delhi from one of the units of Shriram Foods and Fertilizer Industries on 4th and 6th December 1985. Several people living around the plant were affected and a lawyer practicing at Tis Hazari court died. The Inspector of Factories and Commissioner vide its order dated 8th and 24th December 1985 ordered the closure of the factories. It is important to keep in mind that by this time, the Bhopal gas disaster, which took place on 2nd and 3rd December 1984, had already triggered a whole new era of environmental consciousness for people living around industries dealing with hazardous chemicals. At the time of the oleum gas leak, public interest litigation ("PIL") filed by Advocate M.C. Mehta under Articles 21 and 32 of the Constitution of India for the closure and relocation of the Shriram Caustic Chlorine and Sulphuric Acid Plant was already pending before the SC due to the risk that the plant posed in such a heavily populated area. After the leak, another petition was filed in the apex court by the Delhi Legal Aid & Advisory Board and Delhi Bar Association, demanding compensation for the victims. The SC heard all these matters together and passed directions. These matters, along with the PIL filed by M.C. Mehta⁸ came to be famously known as the '*Oleum Gas Leak Case*' and became a harbinger of several reforms in environmental regulation and governance in the coming years. Before the *Oleum gas leak case*, the traditional principle of strict liability, as laid down in *Rylands v Fletcher*⁹ was applied to determine liability in industrial accidents.

¹ Please note that Section 7A of the Public Liability Insurance Act, 1991, refers to an Environmental Relief Fund, while the notification issued by the Ministry of Environment and Forests on 4 November, 2008, refers to an Environment Relief Fund. For the purposes of this brief, we shall refer to it as the Environment Relief Fund.

² [1987] AIR 965

³ [1987] AIR1086

⁴ [1992] AIR 248, 1991 SCR Supl. (1) 251

⁵ [1990] AIR 1480

⁶ Raghavan V, 'Public Liability Insurance Act: Breaking New Ground for Indian Environmental Law' (1997) 39 Journal of the Indian Law Institute, 96

⁷ Subramanya TR and Dighe A, 'Public Liability Insurance: Its Relevance, Application, Shortcomings and the Way Forward' (2018) 5 Journal on Environmental Law Policy and Development 17

⁸ *M.C. Mehta* (n 2 & n 3)

⁹ [1868] UKHL 1, LR 3 HL 330

The principle of Strict Liability was laid down in the Rylands v Fletcher¹⁰ in 1868. The principle held that any person who brings and keeps on their land anything that is likely to cause harm is liable if that things escapes and harms others. The person will be held accountable and pay compensation for the damage even if they have taken due care and haven't been negligent. However, the principle applies only in cases where there is escape of the material from the premises and there has been a non-natural use of the land. Several exceptions to this rule are recognized- where the escape is due to an act of God, to the act of a stranger, to the fault of the person injured, and in cases where the thing which escapes is present with the consent of the person injured or when there is statutory authority involved.

The principle of Absolute Liability was laid down in the M.C. Mehta v Union of India¹¹ in 1986. The principle is similar to strict liability but without any exceptions. The escape of the hazardous material from one's own land is not necessary for application of liability and therefore has a wider scope.

The bench consisting of Chief Justice P.N. Bhagwati, G.L. Oza and Justice D.P. Madon while allowing the factory to restart, also directed Shriram Industries to deposit Rs 20 Lakhs as security for the payment of compensation claims from the victims of the oleum gas leak and an additional Rs 15 lakhs as bank guarantee to the Court Registrar which would be encashed should any chlorine gas escape within a period of 3 years and cause the death or injury to any workmen or any person living in the vicinity.¹²

Although it passed these directions, the SC still had to consider whether the traditional standard of strict liability would apply to Shriram Industries. In light of the advancements in industrialisation and the increased risk of hazards, and perhaps mindful of the vast compensation claims in the Bhopal Gas Case pending before it, it looked beyond strict liability to evolve absolute liability' in another judgment (in the same case) by a Constitutional bench.¹³ An excerpt from the said judgment is reproduced below:

We are of the view that an enterprise which is engaged in a hazardous or inherently dangerous industry which poses a potential threat to the health and safety of the persons working in the factory and residing in the surrounding areas owes an absolute and non- delegable duty to the community to ensure that no harm results to anyone on account of hazardous or inherently dangerous nature of the activity which it has undertaken. The enterprise must be held to be under an obligation to provide that the hazardous or inherently dangerous activity in which it is engaged must be conducted with the highest standards of safety and if any harm results on account [sic] of such activity, the enterprise must be absolutely liable to compensate for such harm and it should be no answer to the enterprise to say that it had taken all reasonable care and that the harm occurred without any negligence on its part. Since the persons harmed on account of the hazardous or inherently dangerous activity carried on by the enterprise would not be in a position to isolate the process of operation from the hazardous preparation of substance or any other related element that caused the harm the enterprise must be held strictly liable for causing such harm as a part of the social cost for carrying on the hazardous or inherently dangerous activity. If the enterprise is permitted to carry on an hazardous or inherently dangerous activity for its profit, the law must presume that such permission is conditional on the enterprise absorbing the cost of any accident arising on account of such hazardous or inherently dangerous activity as an appropriate item of its overheads. Such hazardous or inherently dangerous activity for private profit can be tolerated only on condition that the enterprise engaged in such hazardous or inherently dangerous activity indemnifies all those who suffer on account of the carrying on of such hazardous or inherently dangerous activity regardless of whether it is carried on carefully or not. This principle is also sustainable on the ground that the enterprise alone has the resource to discover and guard against hazards or dangers and to provide warning against potential hazards. We would therefore hold that where an enterprise is engaged in a hazardous or inherently dangerous activity and harm results to anyone on account of an accident on the operation of such hazardous or inherently dangerous activity resulting for example, in escape of toxic gas the enterprise is strictly and

¹⁰ Rylands (n 9)

¹¹ M.C. Mehta (n 3)

¹² M.C. Mehta (n 2)

¹³ M.C. Mehta (n 3)

absolutely liable to compensate all those who are affected by the accident and such liability is not subject to any of the exceptions which operate vis-a-vis the tortious principle of strict liability under the rule in Ryland v. Fletcher (supra).¹⁴

Need for an Industrial Disaster Fund (Bhopal Gas Tragedy Case)

In the meanwhile, on 29th March 1985, the Bhopal Gas Leak Disaster (Processing of Claims) Act 1985 was passed by the Government of India for the expeditious disposal of claims arising out of or connected with the Bhopal gas leak disaster. The Act was challenged in the SC for its constitutional validity. On 22nd December 1989, while disposing the matter, the SC stressed the need for a fresh legislation to ensure the speedy disbursal of compensation to industrial victims and creation of an industrial disaster fund.¹⁵ The Court also suggested the broad contours of this legislation.

We are, therefore, of the opinion that the old antiquated Act should be drastically amended or fresh legislation should be enacted which should, inter alia, contain appropriate provisions in regard to the following matters: (i) The payment of a fixed minimum compensation on a "no-fault liability" basis (as under the Motor Vehicles Act), pending final adjudication of the claims by a prescribed forum; (ii) The creation of a special forum with specific power to grant interim relief in appropriate cases; (iii) The evolution of a procedure to be followed by such forum which will be conducive to the expeditious determination of claims and avoid the high degree of formalism that attaches to proceedings in regular courts; and (iv) A provision requiring industries and concerns engaged in hazardous activities to take out compulsory insurance against third party risks. In addition to what we have said above, we should like to say that the suggestion made by our learned brother, K.N. Singh J., for the creation of an Industrial Disaster Fund (by whatever name called) deserves serious consideration.¹⁶

C. Legal Framework of the ERF

The Public Liability Insurance Act, 1991

This section will discuss the key provisions of the PLIA to provide the context for the discussion on the management of the ERF later in this brief.

The Public Liability Insurance Act assented to by the President of India on the 22nd January 1991.¹⁷ The Public Liability Rules, 1991 were later notified on 1st May 1991.¹⁸

1. The growth of hazardous industries, processes and operations in India has been accompanied by the growing risks from accidents, not only to the workmen employed in such undertakings, but also innocent members of the public who may be in the vicinity. Such accidents lead to death and injury to human beings and other living beings and damage private and public properties. Very often, the majority of the people affected are from the economically weaker sections and suffer great hardships because of delayed relief and compensation. While workers and employees of hazardous installations are protected under separate laws, members of the public are not assured of any relief except through long legal processes. Industrial units seldom have the willingness to readily compensate the

¹⁴ M.C. Mehta (n 3)

¹⁵ Charan Lal Sahu (n 5)

¹⁶ Ibid

¹⁷ Lok Sabha Debate, Third Session (1992) Tenth series, Vol IX No. 13

¹⁸ The Public Liability Insurance Rules 1991 (PLIR 1991)

victims of accidents and the only remedy now available for the victims is to go through prolonged litigation in a Court of Law. Some units may not have the financial resources to provide even minimum relief.

2. It is felt essential, therefore, to provide for Mandatory Public Liability Insurance for installations handling hazardous substances to provide minimum relief to the victims. Such an insurance apart from safeguarding the interests of the victims of accidents would also provide cover and enable the industry to discharge its liability to settle large claims arising out of major accidents. If the objective of providing immediate relief is to be achieved, the mandatory public liability insurance should be on the principle of "no fault" liability as it is limited to only relief on a limited scale. However, availability of immediate relief would not prevent the victims to go to Courts for claiming larger compensation.
3. The Bill seeks to achieve the above objectives.

~ statement of objectives and reasons in the PLI Bill¹⁹

Obligations

The Act makes the owner of an industry handling²⁰ hazardous substances²¹ liable to provide relief on a no-fault basis for any death or injury to a person (other than a workman) or damage to property as a result of an accident. Claimants need not establish that the death, injury or damage occurred was a result of a wrongful act, neglect or default by any person.²² Flowing from this broad obligation, the Act specifically requires the owner of such an industry, before they commence handling hazardous substances, to subscribe to an insurance policy under the Act, which will insure such owner against liability arising out of the claims for death, injury or damage in an accident. The owner must pay the insurer not only the amount of the premium, but also an additional sum not exceeding the amount of the premium. This latter sum must be remitted by the insurer to a specified authority, for being credited to the ERF (Please note that the ERF was established only after an amendment to the PLIA in 1991.²³

Claims for Relief

An application for relief for death, injury, or damage to property resulting from an accident²⁴ must be made to the Collector within 5 years of the occurrence of the accident. The Collector, after giving the owner and the claimants the opportunity of being heard, must hold an inquiry to determine the amount of relief that appears just to them and specifies the person(s) to whom such relief shall be paid. When the Collector makes an award, the following obligations arise: first, the insurer is required to deposit the amount under the award (to the extent of the limit under the insurance policy) in a manner directed by the Collector within 30 days of the award's announcement; second, the Collector must arrange payment from the ERF in accordance with the ERF Scheme; third, the owner

¹⁹ Statement of Objects and Reasons, Public Liability Bill, 1991

²⁰ Under Public Liability Act, 1991 (PLIA 1991) "handling" is 'in relation to any hazardous substance, means the manufacture, processing, treatment, package, storage, transportation by vehicle, use, collection, destruction, conversion, offering for sale, transfer or the like of such hazardous substance'

²¹ Under PLIA 1991, "hazardous substance" means 'any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act, 1986 (29 of 1986), and exceeding such quantity 2 as may be specified, by notification, by the Central Government'

²² PLIA 1991, s 3

²³ PLIA 1991, s 4 (2C)

²⁴ Under PLIA 1991, "accident" means 'an accident involving a fortuitous or sudden or unintended occurrence while handling any hazardous substance resulting in continuous or intermittent or repeated exposure to death of, or injury to, any person or damage to any property but does not include an accident by reason only of war or radio-activity'

may be directed to deposit an amount decided by the Collector. This latter obligation arises only if the amount awarded exceeds both the insurance limit and all the funds available in the ERF.²⁵ Otherwise, if the award exceeds only the insurance limit, the balance must be met through the ERF.

Quantum of Relief

Since 1991, the quantum of relief has remained unchanged till date. The table below reproduces the Schedule to the Act, listing the various categories under which relief may be permitted under the Act and their corresponding amounts.²⁶

S.No.	Category of relief	Maximum award (Rs)
1	Reimbursement of medical expenses incurred	12,500
2	Fatal accidents (in addition to medical expenses)	25,000
3	For permanent total or partial disability or other injury or sickness	
	a) Reimbursement of medical expense (in each case)	12,500
	b) Cash relief on the basis of percentage of disablement as certified by an authorized physician	25,000 for total permanent disability
4	Loss of wages due to temporary partial disability which reduces earning capacity of the victim, provided the victim has been hospitalized for a period exceeding 3 days and is above 16 years of age.	1,000 per month (maximum 3 months)
5	Any damage to private property, on the basis of actual damage	6,000

Table 1- Quantum of relief for the corresponding damages under the PLIA

Preventive Remedies

The PLIA 1991 confers power on the Central Government or any person authorized by the Government to make an application to a court not inferior to Metropolitan/Judicial Magistrate of first class to restrain any owner from handling hazardous substances in contravention of the Act if they have reason to so believe.²⁷ The list of authorized persons was notified on 19th March 1993²⁸ as follows.

Level of Jurisdiction	Person, Authority or Officer
Whole of India	Any Director, Joint Director, Adviser or Additional Secretary to the Government of India in the Department of Environment, Forests and Wildlife

²⁵ Public Liability Insurance Rules 1991 (PLIR 1991), s 10(3)

²⁶ PLIA 1991, sch 1

²⁷ PLIA 1991, s 13

²⁸ MoEF [1993] S.O. 282(E)

	<p>The Chairman or Member-Secretary of Central Pollution Control Board constituted under Section 3 of the Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974)</p> <p>Joint Director (Legal) in the Department of Environment, Forests and Wildlife, Ministry of Environment, Forests and Wildlife, Ministry of Environment and Forests, Government of India.</p>
State	<p>The Government of the State (Represented by the Secretary to the State Government in-charge of Environment)</p> <p>The Chairman or Member-Secretary of The State Pollution Control Board constituted under section 4 of the Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974) or a State Board for the Prevention and Control of Air Pollution constituted under Section 5 of the Air (Prevention and Control of Pollution) Act, 1981 (14 of 1981)</p>
Union Territories or areas as laid down by the Central Board	The Chairman or the Member Secretary of the Pollution Control Committees of the Union Territories who have been delegated powers under clause (4) of Section 4 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 6 of the Air (Prevention and Control of Pollution) Act, 1981 by Central Pollution Control Board
Revenue District	District Collector
Area as laid down by the Central Board	Regional Officers of the Central Pollution Control Board who have been delegated powers under Section 20, 21 and 23 of the Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974) and Section 24 of the Air (Prevention and Control of Pollution) Act, 1981 (14 of 1981)
Area as laid down by the State Board	<p>Regional Officers of the State Pollution Control Board who have been delegated powers under Section 20, 21, and 23 of the Water (Prevention and Control of Pollution) Act, 1974.</p> <p>Regional Officers of the State Pollution Control Board who have been delegated powers under Section 24 of the Air (Prevention and Control of Pollution) Act, 1981.</p>
Zonal/Regional Area as laid down by the Ministry of Environment & Forests.	Any Regional/Zonal Officers or a Director In-charge of a Regional/Zonal Office of the Ministry of Environment & Forests.

Table 2- List of various authorities and their respective jurisdiction notified under the PLIA

D. The Environment Relief Fund Scheme, 2008

Section 7A of the PLIA empowers the Central Government to establish a central fund to be known as the 'Environmental Relief Fund'²⁹. From a combined reading of the PLIA and its rules, it appears that the main purpose of the fund is to provide immediate relief to the victims of accidents (as defined in the Act) as determined by the District Collector, but only in cases where the relief amount awarded by the Collector exceeds the amount covered by the insurance policy. The section also empowers the Central Government to notify a scheme that specifies in which the ERF will vest, how the Fund will be administered and other administrative details relating to the payment of money into and out of the Fund.

In the exercise of this power, 'The Environment Relief Fund Scheme' (ERF Scheme) was notified by the Ministry of Environment and Forests on 4th November 2008³⁰ with the UIICL appointed as its Fund Manager for five years. The funds existing in the custody of various insurance companies at the time of notifying the Scheme were ordered to be transferred to the ERF within 60 days of publication of the notification.³¹ UIICL was subsequently reappointed as Fund Manager up to 31st December 2014³², and then 30th June 2015³³, 31st December 2015³⁴ 31st March 2016³⁵ and 31st March 2019³⁶.

Key provisions of the ERF Scheme, 2008³⁷ along with the relevant excerpts are discussed below.

Money Credited to the ERF:

- ❖ Amounts equal to that of the premium of the insurance policy taken out by the owner³⁸, along with income from investments and any other money specified in sub-section 2C of Section 4 of the Act shall be credited to the ERF. An owner is required to contribute a sum equal to the premium payable to insurer.³⁹
- ❖ The amount remitted by the owner as compensation for environment damages under the National Environment Tribunal Act (NETA), 1995 to be credited to the ERF. (*The NETA is no more functional and is superseded by National Green Tribunal, which will be discussed later*)

Obligations of owners:

- ❖ All owners contributing to the Relief Fund shall inform the Fund Manager and the Collector about their payment to the insurer, of the premium and contribution to the ERF within fifteen days of the payment. This information must be submitted in a specific format, which is contained in Form-III of the Scheme notification.
- ❖ In case of delay in payment by the owner or insurer, interest at the rate of 18% per annum shall be charged on the owners or insurer, as the case may be.

²⁹ This provision was inserted through the Public Liability Insurance (Amendment) Act, 1992.

³⁰ MoEF [2008] G.S.R.768(E)

³¹ *Ibid* s 5(2)

³² MoEF [2014] G.S.R.497(E)

³³ MoEF [2015] S.O.287(E)

³⁴ MoEF [2015] S.O.1878(E)

³⁵ MoEF [2016] S.O.256(E)

³⁶ MoEF [2016] G.S.R.606(E)

³⁷ MoEF (n 30)

³⁸ PLIR 1991, s 11

³⁹ PLIA 1991, s 4

Obligations of the Fund Manager:

- ❖ Amounts in the Relief Fund account shall be invested in fixed deposits preferably in the nationalized banks immediately, after leaving the minimum agreed balance in the Relief Fund account, in consultation with the Reserve Bank of India and standing instructions shall be given to the bankers to convert funds over and above the minimum balance to the fixed deposits.
- ❖ The Fund Manager shall submit to the Central Government the annual statement of accounts on the management of funds.
- ❖ The recovery of tax deducted at source on account of credit in the Relief Fund, conditions of Permanent Account Number and the legal status of funds from the point of taxation shall be decided in consultation with the Central Board of Direct Taxes and shall be binding on the Fund Manager

Obligations of the Collector:

- ❖ It is the responsibility of the insurance company or Fund Manager to deposit with the Collector, the sum awarded within 30 days of the receipt of the demand from the Collector.
- ❖ Where money is paid from the ERF, the owner must reimburse this money within a period of 6 months to the Collector who in turn will remit it to the ERF. The Collector is responsible for the recovery of this amount from the owner along with interest as arrears of land revenue or of public demand.
- ❖ Where the relief is higher than the insurance limit and the money in the ERF, the Collector must demand the remaining money from the owner as arrears of land revenue or of public demand. Where this liability of the owner is higher than the total assets or where the owner is declared insolvent, the matter must be referred to the arbitrator to be appointed by the Central Government who would decide about the liabilities and the recovery of amount from the owner.
- ❖ The Collector is responsible for disbursement of the money to claimants within 15 days of receiving it.
- ❖ The Collector shall furnish the accounts related to disbursement of relief amounts under ERF within 45 days to the Fund Manager.

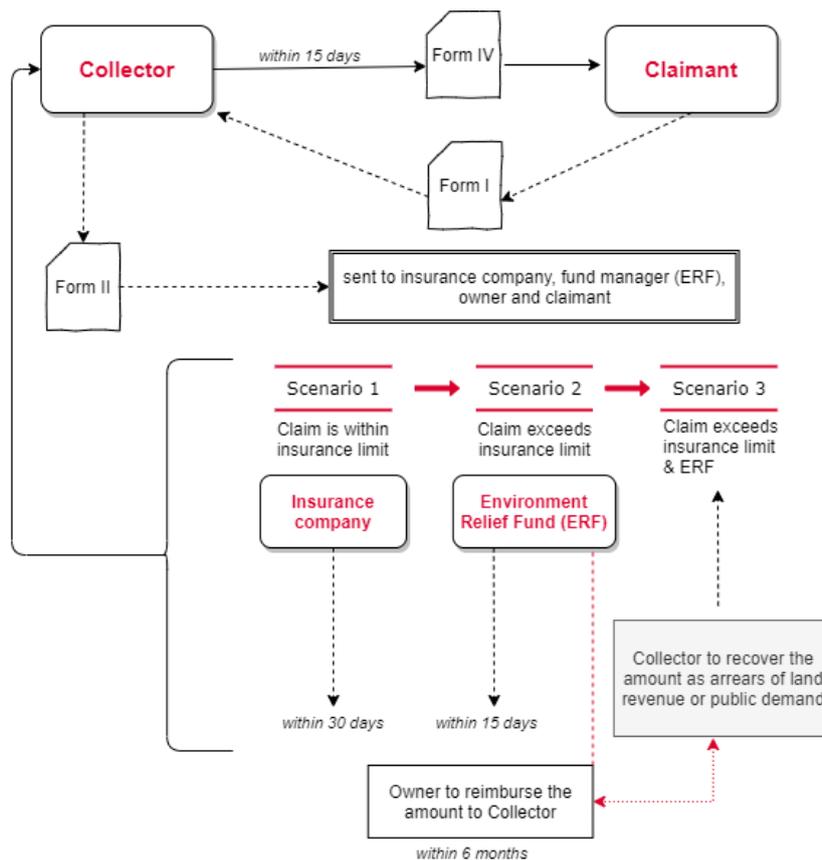


Figure 1- Process of claim disbursement under the ERF Scheme 2008

3. Status of the ERF

A. Contributions to the ERF

As per the latest information obtained IRDAI from its website and using RTI, there are 21 general insurance companies (“GIC”) which issue insurance policies under PLIA. The latest entrant to the list is Kotak Mahindra GIC Ltd. One insurance company- L&T GIC Ltd which existed on the IRDAI website as registered in 2010-11 is not present in the latest list of companies authorized by the IRDAI.⁴⁰ Documents with UIICL show the contribution from L&T GIC Ltd as ‘nil’ since the financial year 2016-17.

Before the ERF Scheme 2008, there were 11 insurance companies which were registered with IRDAI for issuing insurance under PLIA. The opening contribution to the ERF was Rs 2,82,79,83,107. New India Assurance Co. Ltd (Rs 82,01,08,022), United India Insurance Co. Ltd (Rs 67,94,95,838), The Oriental Insurance Co. Ltd (Rs 57,29,84,614), National Insurance Co. Ltd (Rs 52,00,00,000) and ICICI Lombard GIC Ltd (Rs 58888011) were among the highest contributors to the ERF when it was established.

The cumulative contribution by different general insurance companies till 2018-19 stood at Rs 3,74,89,95,487. The top five contributors till date to the ERF are New India Assurance Co. Ltd (Rs 99,69,04,399), United India Insurance Co. Ltd (Rs 83,90,34,367), The Oriental Insurance (Rs 68,17,17,424), National Insurance Co. Ltd (Rs 62,11,97,605) and Tata-AIG GIC Ltd (Rs 12,48,33,333).

First contributions from Insurance Companies	Amount (INR)
New India Assurance Co. Ltd	82,01,08,022
United India Insurance Co. Ltd	67,94,95,838
The Oriental Insurance Co. Ltd	57,29,84,614
National Insurance Co. Ltd	52,00,00,000
ICICI Lombard GIC Ltd	5,88,88,011
Tata AIG GIC Ltd	4,44,85,404
IFFCO Tokio GIC Ltd	4,25,58,487
Bajaj Allianz GIC Ltd	4,12,96,021
Reliance GIC Ltd	3,57,67,332
Cholamandalam MS GIC Ltd	1,23,99,378
TOTAL	2,82,79,83,107

Table 3- Amounts contributed by different insurance companies to ERF for the first time (Source- UIICL)

⁴⁰ Insurance Regulatory and Development Authority of India (IRDAI), RTI response dated 20 August 2019

S. No.	Insurer name	IRDAI Registration	First Contribution	Contribution till 2018-19
1	National Insurance Co. Ltd	2000-01	2008-09	62,11,97,605
2	New India Assurance Co. Ltd	2000-01	2008-09	99,69,04,399
3	Tata-AIG GIC Ltd	2000-01	2008-09	12,48,33,333
4	Bajaj Allianz GIC Ltd	2001-02	2008-09	10,71,81,854
5	ICICI Lombard GIC Ltd	2001-02	2008-09	10,26,51,145
6	IFFCO Tokio GIC Ltd	2001-02	2008-09	8,38,66,894
7	Reliance GIC Ltd	2001-02	2008-09	5,53,95,093
8	Cholamandalam MS GIC Ltd	2002-03	2008-09	2,73,03,359
9	The Oriental Insurance Co. Ltd	2005-06	2008-09	68,17,17,424
10	United India Insurance Co. Ltd	2007-08	2008-09	83,90,34,367
11	Royal Sundaram GIC Ltd	2000-01	2008-09	1,86,33,068
12	HDFC Ergo GIC Ltd ⁴¹	2008-09	2008-09	2,55,53,108
13	Future Generali India Insurance Company Limited	2008-09	2009-10	2,06,22,917
14	Universal Sampo GIC Ltd	2008-09	2009-10	36,27,524
15	Bharati-Axa GIC Ltd	2008-09	2010-11	71,49,586
16	Raheja QBE GIC Ltd	2009-10	2009-10	29,07,001
17	Shriram GIC Ltd	2009-10	2014-15	1,79,745
18	L&T GIC Ltd ⁴²	2010-11	2011-12	12,93,113
19	SBI GIC Ltd	2011-12	2012-13	47,99,094
20	Liberty Videocon GIC Ltd	2012-13	2014-15	6,95,866
21	Magma HDI	2012-13	2014-15	10,59,194
22	Kotak Mahindra GIC Ltd	2017-18	NA	NA
23	Others <i>Most probably contribution from compensation awarded by National Green Tribunal.</i>	Not applicable	2012-13	2,23,89,798
			TOTAL	3,74,79,23,069

Table 4- Total contribution by different insurance companies till 31st March 2019 (Source- UIICL)

⁴¹ Information from IRDAI under RTI listed it to be registered in 2010-11 (n 39). The IRDAI website shows it as registered in 2008-09.

⁴² text to n 40

Year wise Contribution to the ERF			
Year	General Insurance Companies	Others	Amount (INR)
First contribution to ERF	2,82,79,83,107	-	2,82,79,83,107
2008-09	2,15,73,868	-	2,15,73,868
2009-10	8,57,77,011	-	8,57,77,011
2010-11	5,78,51,377	-	5,78,51,377
2011-12	10,84,25,370	-	10,84,25,370
2012-13	8,15,01,053	-	8,15,01,053
2013-14	10,50,89,346	6,00,000	10,56,89,346
2014-15	9,30,16,501	4,50,000	9,34,66,501
2015-16	8,72,53,673	43,94,434	9,16,48,107
2016-17	7,96,15,048	1,53,10,908	9,49,25,956
2017-18	8,39,25,287	6,25,000	8,45,50,287
2018-19	9,46,03,505	10,00,000	9,56,03,505

Table 5- Year wise contributions to the ERF (Source- UIICL)

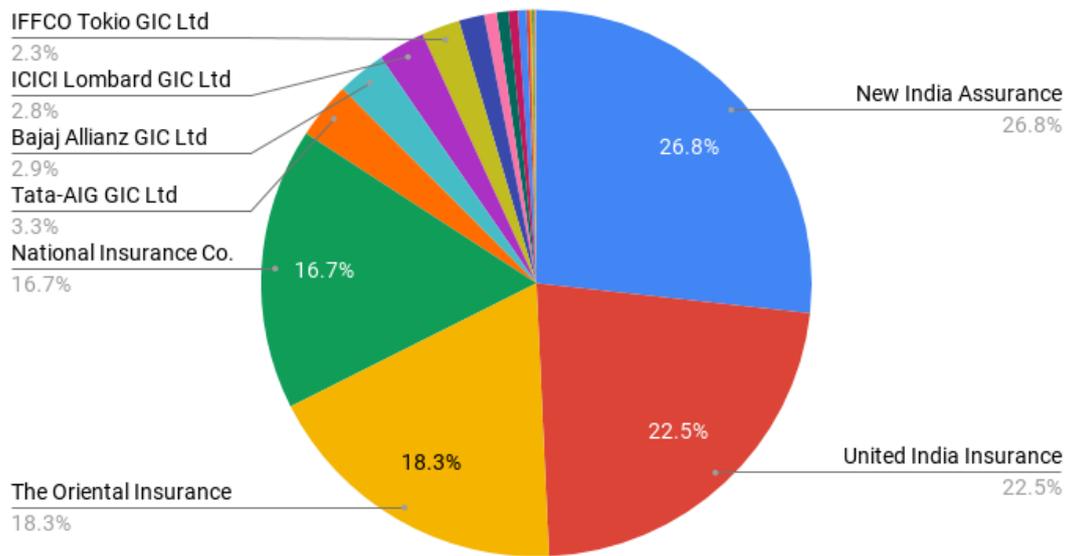


Figure 2- Chart depicting top contributors to the ERF till 31st March 2019 (Source- UIICL)

B. Investment of the Corpus

As on 31st March 2019, Rs 8,10,32,00,000 has been invested as fixed deposits in 13 different banks. The Fund Manager informed Vidhi that the selection of banks for such investment is made based on the rate of interest offered and the accessibility of their branch offices. Vidhi accessed one note of the Board and Secretarial Department, UIICL dated 10th February 2018 where decisions on investment in fixed deposits were made. The note showed that there had been discussions on the limits on maximum amounts to be invested in public and private sector banks. However, no discussions appear to have taken place on which banks should be selected for fixed deposits.

	As on 31 March 2019	As on 31 March 2018	Change in Investment
Axis Bank	32,72,00,000	-	32,72,00,000
Canara Bank	1,12,59,50,000	-	1,12,59,50,000
City Union Bank	56,91,50,000	40,00,00,000	16,91,50,000
Federal Bank	26,86,00,000	28,61,70,000	-1,75,70,000
Indian Overseas Bank	1,50,00,00,000	1,48,34,00,000	1,66,00,000
IndusInd Bank	60,00,00,000	39,85,30,000	20,14,70,000
Karnataka Bank	4,91,50,000	37,61,50,000	-32,70,00,000
Kotak Mahindra Bank	41,31,50,000	27,68,00,000	13,63,50,000
Lakshmi Vilas Bank	15,00,00,000	40,00,00,000	-25,00,00,000
South Indian Bank	40,00,00,000	40,00,00,000	-
Tamilnad Mercantile Bank	60,00,00,000	40,00,00,000	20,00,00,000
Vijaya Bank	1,50,00,00,000	1,13,93,90,000	36,06,10,000
Yes Bank	60,00,00,000	35,77,00,000	24,23,00,000
Andhra Bank	-	34,62,00,000	-34,62,00,000
IDFC	-	40,00,00,000	-40,00,00,000
Karur Vysya bank	-	40,00,00,000	-40,00,00,000
TOTAL	8,10,32,00,000	7,06,43,40,000	1,03,88,60,000

Table 6- A summary of the fixed deposits in various banks for the years 2017-18 and 2018-19 (Source- UIICL)

4. Problems

A. No Account of Compensation awarded by the National Green Tribunal

The NGT was established on 18th October, 2010, vide notification No. S.O 2569(E) under the National Green Tribunal Act, 2010. The objective for setting up NGT was the effective and expeditious disposal of cases relating to the environment, granting relief and compensation for environmental damages and ordering restitution of damaged property or the environment.

Section 24 of the NGT Act, 2010 requires the compensation or relief awarded for damage to the environment to be remitted to the ERF.

24. Deposit of amount payable for damage to environment

(1) Where any amount by way of compensation or relief is ordered to be paid under any award or order made by the Tribunal on the ground of any damage to environment, that amount shall be remitted to the authority specified under sub-section (3) of section 7A of the Public Liability Insurance Act, 1991 (6 of 1991) for being credited to the Environmental Relief Fund established under that section.

(2) The amount of compensation or relief credited to the Environmental Relief Fund under sub-section (1), may, notwithstanding anything contained in the Public Liability Insurance Act, 1991 (6 of 1991) be utilised by such persons or authority, in such manner and for such purposes relating to environment, as may be prescribed.⁴³

As per verified documents, the Fund Manager has not kept any separate account for contributions to the ERF as a result of awards or orders made by the NGT for compensation or relief for environmental damage. Instead, they appear to have been included as 'Others' for audit purposes. The first contribution to the 'Others' category came in the year 2012-13, and the total contribution stands at Rs 2.24 Crores as on March 2019. The Fund Manager informed Vidhi that a new account for compensation or relief awarded by the NGT has been opened recently, but we were unable to access any official documentation to this effect.⁴⁴ We could only retrieve one receipt dated 25th September 2018 from the Fund Manager which acknowledged receipt of Rs 10 lakhs towards the head 'Contributions to ERF- New Fund (Tribunal Award Compensation)'.

It is also particularly important to highlight that a separate RTI application filed with Public Information Officer ("PIO") of MoEFCC seeking statement of accounts of ERF for years 2010-2018 was transferred to the NGT. The NGT responded that the said information is not available with the PIO of NGT. Appeals under Section 19(1) of RTI Act were filed separately with MoEFCC and NGT. The First Appellate Authority of MoEFCC upheld the order of PIO of MoEFCC providing the following reason:

The National Green Tribunal was established by the Act of Parliament for effective and expeditious disposal of cases relating to environment. The compensation or relief is ordered to be paid under any award or order made by the tribunal

⁴³ National Green Tribunal Act 2010 (NGTA 2010), s 24

⁴⁴ Rule 35(4) of the National Green Tribunal (Practice and Procedure) Rules, 2011 requires a separate account to be created and maintained by the fund manager in order to receive and disburse amounts pursuant to orders or awards of the NGT.

on the ground of any damages to environment. The accounts is maintained by National Green Tribunal itself. The matter is therefore, transferred to NGT for further necessary action.⁴⁵

The First Appellate Authority of NGT also disposed the first appeal against the PIO of NGT and gave following reason in its order:

4. In terms of Section 24 of NGT Act, 2010 the amount of compensation or relief may be remitted to the authority specified under Sub-Section 3 of Section 7A of the Public Liability Insurance Act, 1991(6 of 1991) for being credited to the Environmental Relief Fund established under that Section.

5. NGT is a judicial authority and not a regulatory authority of Environmental Fund hence information sought by the RTI applicant is not available in the records of the NGT in terms of para 2 (f) of RTI Act, 2005.⁴⁶

Therefore, it is clear that neither MoEFCC or NGT has maintained any records of the compensation awarded by NGT in terms of Section 24(1) of the NGT Act. It is also unclear whether any amount has been utilized from the ERF in terms of Section 24(2) of the NGT Act, as we were unable to access any records at the Fund Manager's office.

The MoEFCC' press release of 2015 stated that there had been no expenditure from the fund so far, except fees to the Fund Manager.⁴⁷ In an email correspondence from UIICL accessed by us dated 20th March 2019, the Fund Manager stated that there had been no utilization of the fund in the financial year 2017-18. It should be noted that, as on the date of this email from UIICL, the NGT has already been in operation, and has been awarding compensation for more than 8 years.

As per an analysis carried out by Vidhi of 116 judgments of the NGT delivered between 2014-2019, a total sum of approx. Rs 645 Crores was awarded as compensation for environmental damages. It was observed that in 13 such cases, the NGT had explicitly asked the respondents to deposit the compensation amount to the ERF (total: Rs 90 Lakh); in 99 cases, the amount was ordered to be paid to the victim or government authorities like the District Collector, Forest Officer, Pollution Control Boards (total: Rs 343.75 Cr) ; and in 4 cases it was not specified to whom the amount should be deposited (total: Rs 300.35 Cr). Irrespective of whether or not any NGT direction specifically stated that the amount awarded as compensation or relief should be deposited with the ERF, it is clear, from a reading of section 24 of the NGT Act and section 35 of the NGT (Practice and Procedure) rules that the award must be deposited to ERF. While the amount awarded by the NGT as of December 2019 is approximately 645 crores, only Rs 2 crores appears to have been deposited with the ERF.

Even if it is assumed that orders of the NGT awarding compensation have been appealed to the SC under section 22 of the NGT Act, there is a glaring disparity between the total amount awarded by the NGT and the amount credited with the ERF. This could be indicative of the following possibilities:

- Amounts awarded by the NGT are not first being credited to the ERF before disbursement as required by the NGT Act and its rules, and are instead directly being disbursed to victims or government authorities⁴⁸
- An overwhelming proportion of orders awarding compensation have been appealed to SC and have not yet been disposed;
- There is simply no compliance with orders of the NGT awarding compensation or relief i.e. money is neither being credited to the ERF nor is it being directly disbursed.

This is a matter of serious concern because it suggests that the purpose for which the NGT was created is not being served. Apart from the extremely low amount of money credited to the ERF as a result of orders or awards of the

⁴⁵ Tarika Jain v Central Public Information Officer (MoEFCC), order of First Appellate Authority dated 01 February 2019

⁴⁶ Tarika Jain v Central Public Information Officer (NGT), order of First Appellate Authority dated 01 March 2019

⁴⁷ 'Ministry of Environment, Forest & Climate Change (MoEFCC), 'Environment Ministry Directs CPCB to Ensure Better Implementation of Public Liability Insurance Act, 1991' (Press Information Bureau Government of India, 7 September 2015) <<https://pib.gov.in/newsite/PrintRelease.aspx?relid=126680>> accessed 3 March 2020

⁴⁸ Bhushan C, Banerjee S and Bezbaroa I, 'Green Tribunal, Green Approach: The Need for Better Implementation of the Polluter Pays Principle' (Centre for Science and Environment 2018)

NGT, Vidhi was unable to access any accounts that demonstrated that money from the ERF had been disbursed under this head. It would be a serious miscarriage of environmental justice if it were the case that not a single disbursement had been made from the ERF in the manner contemplated by the NGT Act nearly 10 years after the Act came into force.

B. State and Union Territory wise contributions not available

As per Section 8 of The ERF Scheme, 2008, the Fund Manager shall maintain proper accounts and other relevant records and prepare an annual statement of accounts for each State and Union Territory (“UT”) up to 31st March of every year showing the collection of amounts by insurance companies in respect of hazardous industries in their respective territories crediting the said amounts into the Relief Fund.

The Fund Manager admitted that the State and UT wise accounts have not been maintained since the fund was constituted. The main reason for this is because of the unavailability of Form III, which is required to be submitted by the insurer to the Fund Manager. This fact has been reiterated in the auditor’s report on ERF of the year 2010-11 which stated that because of the lack in submission of Form III by the owners, the State-wise and Union Territory-wise accounts and other relevant records have not been maintained.

C. Irregularities with Form III

Non-submission of Form III

As per Section 5(5) of the ERF Notification, 2008⁴⁹, all owners contributing to the Relief Fund shall inform the Fund Manager and the Collector about payment of such contribution in Form-III within fifteen days of making the payment of this contribution to the insurer. An explanatory note appended to Form-III states that the insurer is responsible for submitting Form-III to the Fund Manager.

There are 16 different heads of information which are required to be filled by the industry owner in Form-III, including the name of the owner, business, territorial limits, information on hazardous chemicals handled, financial capacity, amount of premium, contribution to the ERF, and date of payment to the insurer. This information is critical to have an accurate record of the risk, premium amount and the agreement under the PLIA between the owner and the insurer. If the basic information in Form-III is compromised, then there is a great possibility that the entire process of making claims under the public liability insurance may be vitiated. The insurance is the first port of relief for victims of accidents involving hazardous chemicals. Once the Collector makes an award, it is the insurance company or the Fund Manager that must deposit the sum awarded within 30 days of the receipt of the demand to the Collector or as directed by the Collector.⁵⁰ The submission of Form-III allows the Fund Manager to verify that industries involving hazardous chemicals have taken the insurance under PLIA 1991 and made the required contributions to the ERF. Form III also gives several critical information like the name of hazardous chemicals handled, its quantity, policy period etc. Therefore, it is vital that owners fill out this information accurately and that insurance companies regularly submit this form to the Fund Manager.

It was observed that the Fund Manager does not have Form-III in respect of many of the contributions to the ERF. The Fund Manager informed Vidhi that they have followed up with insurance companies but Form-III is still not being submitted regularly. Vidhi has accessed a copy of one such email sent by the Fund Manager to a reputed insurance company highlighting this irregularity and sending a reminder to submit Form-III. The Fund Manager also informed Vidhi that even in the forms which are submitted, the information remains incomplete or irregular. Vidhi obtained copies of correspondences intimating deposit of amount collected towards ERF by 13 different insurance companies to the Fund Manager for 2018-19 and analyzed them from the perspective of the

⁴⁹ MoEF (n 30)

⁵⁰ Ibid s 7(3)

completeness of the information submitted. Out of the submissions by 13 insurance companies, 4 lacked any Form III.

The first audit report of the ERF for the year 2008-09 noted:

All owners contributed to the Relief Fund have not informed the fund manager about the amount of contribution made towards the fund for the year ended 31.03.2009 in Form III as required by the government notification. Consequently, the penalty as stated in the notification has not been accounted in the books.

A similar note also appeared for the audit reports in the following years right up to the latest audit report accessed by us for the year 2017-18 where lack of Form III has been highlighted by the auditor. This demonstrates that the non-submission of information vital to the effective working of the PLIA and the ERF is a persistent problem.

Irregularities in Form-III submitted to the Fund Manager

There were several inconsistencies observed in the manner in which Form-III is filled by the owners. One of the major inconsistencies was the manner in which the information for 'Name & Quantities of hazardous substances handled by owner' is provided in Form-III. In most of the forms analyzed, the information has been filled in a very casual manner. There were widespread inconsistencies in the manner in which the information is provided in Form III including some forms where the information is not provided at all (See Appendix I). In some of the forms analyzed, the quantity of hazardous quantity is shown as 'nil'. This is perplexing- the PLIA is only intended to apply to owners of industries involving hazardous chemicals. If there is no hazardous substance involved, then it is unclear why they would even be bound by the obligation to subscribe to a public liability insurance under the PLIA. Some examples are provided below:

Owner company	Insurer	Name & quantities of hazardous substance handled by owner (declared in Form III)	Form-III dated
Parle Biscuits Pvt Ltd	Future Generali	Nil	31 st Mar 2019
Sreepathi Lab Pvt Ltd	Future Generali	Nil	23 rd Apr 2019
Tata Ceramics Ltd	TATA AIG	Nil	27 th Mar 2019
Carlsberg India Pvt Ltd	TATA AIG	Nil	17 th Jan 2019

Table 7- Examples of companies which opted for insurance under PLIA and showed quantities of hazardous substance handled as 'nil'

Similar inconsistencies were observed in the submission of information under the head 'Address of Collector under which Territorial limit is the unit handling hazardous substance falls' of Form III. Some forms provided only the district or city name, while in several forms it was blank. This is especially problematic because the Collector is the authority charged with disbursing relief under the PLIA. It is a serious impediment to access to relief if it is not clear which Collector is to be approached.

In some of the forms, there were inconsistencies in the information provided under 'date of proposal and declaration'. In one of the forms, it was written 'NA'. Even the space for 'Name & Designation of Authorized Signatory' were blank and incomplete in some of the forms analyzed. If this information is not provided, it raises serious concerns about the validity of the insurance policies themselves.

A detailed analysis of the manner in which the information required under Form-III has been recorded by owners is provided in Appendix II.

D. Confusion over legal status of the ERF

The audit reports of the ERF since the year 2008-09 have consistently mentioned the fact that the fund does not have a Permanent Account Number, Tax Deduction and collection number (TAN) and service tax registration. The audit report for the years 2008-09, 2009-10, 2010-11, 2011-12 states the reason for not having PAN, TAN and service tax registration as '*pending finalization of the legal status by the Ministry*'.

The UIICL has responded to this issue vide letter dated 25th June 2012 to the auditor where they stated that the Ministry of Environment and Forests is yet to respond to the clarification sought by them. The letter also stated

that the Fund Manager could only apply for TDS exemption and service tax registration once the ERF itself is registered,

The audit reports for the years 2012-13 and 2013-14 again highlighted the issue of not having PAN, TAN and service tax registration as '*pending finalization of the legal status by the Ministry*'. However, the audit report of the year 2014-15 gave no reasoning for the same and just stated that the fund is unable to apply for PAN, TAN and service tax registration. It was also stated that consequent to this, the bank accounts, fixed deposits and other banking transactions of the fund are carried on by Fund Manager in the name and style of "United India Insurance Company Limited, Environment Relief Fund" without legal status. In the audit reports of 2015-16, 2016-17, it is stated that the fund is unable to apply for PAN, TAN and service tax registration, since its constitution is not defined.

The audit report of 2016-17 referred to a note that the fund has obtained an advocate's opinion dated 22nd December 2016 stating that the fund does not require a separate legal constitution since it is enacted under the PLIA. The same statement has been reiterated in the audit report for the year 2017-18 as well.

Though the note referring to the advocate's opinion was not available with the audit report, Section 6(7) of the ERF notification, 2008 clearly has a provision on how these matters are to be decided. It states that:

The recovery of tax deducted at source on account of credit in the Relief Fund, conditions of Permanent Account Number and the legal status of funds from the point of taxation shall be decided in consultation with the Central Board of Direct Taxes (CBDT) and shall be binding on the Fund Manager.

It was unclear from the files inspected on whether the CBDT was consulted to resolve the confusion. The audit report for the year 2017-18 shows that Rs 1,78,586 has been deducted as TDS by the State Bank of Mysore which is shown as receivable from United India Insurance Company Limited under Sundry Debtors in Balance Sheet. Similarly, TDS of Rs 1,87,19,037 was shown to be deducted by Andhra Bank and State Bank of Travancore for the year 2016-17. Without clarity on the legal status of the fund, there might be problems in getting the refund in lieu of the TDS collected by income tax department.

E. Problems in the manner of issuing insurance to industry owners

As stated in Part II, in some instances, insurers have issued policies under PLIA to industries not dealing with hazardous substances. In other instances, a single insurance under the PLIA was taken out by companies for multiple units and even multiple businesses. For e.g., Form III accessed for Finolex Industries (annual turnover-Rs 3500 Cr; paid up capital- Rs 124 Cr) having units handling hazardous substances at Pune, Vadodara, Ratnagiri, Cuttack and Indore was issued just one policy of indemnity limit of Rs 15 Cr (aggregate) through TATA AIG GIC Ltd. In another instance, Rallis India Ltd. (annual turnover-Rs 2035 Cr; paid up capital- 19.45 Cr) and having different businesses which includes pesticides, seeds, seed treatment chemicals, fertilizers, polymer PEKK, solar power and pharma intermediates (all of which involve hazardous chemicals) took one policy of indemnity limit of Rs 15 Cr (aggregate) through the same insurer. Form-III in respect of these companies even mentioned 'India' in the column corresponding to 'territorial limits' and 'address of collectors under which territorial limit is the unit handling hazardous substance falls.⁵¹

Form-III clearly contemplates that insurance policies and contributions to the ERF must be made in respect of individual units. This is especially important because the indemnity limit in respect of multiple accidents in a year has been capped at Rs 15 crores.⁵² Owners with multiple units will drastically reduce their liability under the Act if they subscribe to a single insurance policy for all units. This is not contemplated by the scheme of the Act, which requires owners to take out a separate insurance policy in respect of each *undertaking*. Although undertaking has

⁵¹ Based on Form III accessed for the respective companies at UIICL under RTI

⁵² PLIR 1991, s 10

not been defined under the PLIA, it would appear that this is closest in meaning to a unit, rather than the entire industry.

F. Unsatisfactory functioning of the Advisory Committee

Section 21 of the PLIA prescribes the following purpose and constitution of the Advisory Committee—

(1) The Central Government may, from time to time, constitute an Advisory Committee on the matters relating to the insurance policy under this Act.

(2) The Advisory Committee shall consist of—

(a) three officers representing the Central Government;

(b) two persons representing the insurers;

(c) two persons representing the owners; and

(d) two persons from amongst the experts of insurance or hazardous substances, to be appointed by the Central Government.

(3) The Chairman of the Advisory Committee shall be one of the members representing the Central Government, nominated in this behalf by that Government.

The information on name and designations of the members of the Advisory Committee and the minutes of its meetings since the year 2015 was obtained from the MoEFCC under the RTI Act.

The MoEFCC vide its notification dated 20th November 2014⁵³ reconstituted the Advisory Committee by appointing following officers and persons.

1.	Joint Secretary/Advisor (HSM) Division Ministry of Environment, Forest and Climate Change	Chairman
2.	Joint Secretary (Chemicals) or his nominee Ministry of Chemicals and Fertilizers, Department of Chemicals and Petrochemicals	Member
3.	Joint Secretary (Insurance) or his nominee Ministry of Finance, Department of Economic Affairs	Member
4.	Chairman or his nominee General Insurer's (Public Sector) Association of India	Member
5.	Chairman & Managing Director or his nominee United Indian Insurance Co. Ltd	Member
6.	Representative of Confederation of Indian Industry (CII)	Member
7.	Director National Insurance Academy	Member

⁵³ MoEFCC, 'Reconstitution of the Advisory Committee on Matters Relating the Insurance Policy under Section 21 of the Public Liability Insurance Act, 1991' (2014) F.No. 27-1/2014-HSMD

8.	Executive Director or his nominee Oil Industries Safety Directorate Ministry of Petroleum & Natural Gas	Member
9.	Addl. Director/Director (HSM) Division Ministry of Environment, Forests & Climate Change	Member Secretary

The terms of reference for the Committee were also laid down in the 2014 notification which states that the committee must advise the Ministry regarding:

- i) Validity period, policy and premium amounts for insurance;
- ii) Drawing up the methodology for payment of insurance claims;
- iii) Execution of insurance scheme;
- iv) Drawing up and execution of Environment Relief Fund Scheme and payment of relief under the scheme;
- v) Selection/appointment of Fund Manager; review of eligibility criteria and procedure for selection of Fund Manager;
- vi) Handling cases where cheques for policy premium/contribution to ERF scheme bounced;
- vii) Amendments and policy changes, if any.

The response of the MoEFCC to a query under the RTI Act states that there have been two meetings of the Advisory Committee since it was reconstituted on 20th November 2014.⁵⁴ The minutes of its meeting indicate that the meeting dated 8th March 2016 was a detailed one where decisions regarding the eligibility of insurance companies for managing the fund was discussed. It was observed by the committee that there is an overall lack of interest among general insurance companies for managing the ERF. The Committee rejected two companies viz. SBI Funds Management Private Ltd and SBI General Insurance Company Ltd as they did not meet the eligibility criteria.

The eligibility criteria for the Fund Manager as discussed by the Advisory Committee are set out below.

- i) The organization should have a valid registration with IRDAI;
- ii) The Fund Manager should be a public sector company of repute with minimum 5 years of experience in the field of management of corpus of similar kinds of funds;
- iii) The organization should have assets worth more than 5 times of the amount accumulated in the ERF and know how to successfully manage such funds;
- iv) The organization fulfilling the above-mentioned criteria is ready to work at a service fee equal to 1% of the amount added in the corpus per annum.

The meeting ended with recommendations to reappoint UIICL as Fund Manager for a period of 5 years and to discuss in the next meeting, the enabling of private insurance companies to participate in the exercise of appointment of the Fund Manager. The meeting was attended by all members except the representatives of CII and the Ministry of Finance.

The subsequent meeting was held after 3 years on 6th March 2019 where the main discussions were about increasing the financial limits of the relief awarded under the PLIA to a minimum of Rs 5,00,000. There was also advice by the Chairman on the transfer of powers of the District Magistrate to the State, although no detailed discussion and reasoning has been noted in the minutes. The minutes were very short with a recommendation to extend the tenure of the UIICL as Fund Manager for 3 months and inviting expressions of interest from public sector insurance companies for the appointment of the Fund Manager after 30th June 2019.

There was no discussion on the issues discussed in its previous meeting, such as enabling private insurance companies to apply for Fund Manager. Surprisingly, the meeting was attended by 3 representatives of MoEFCC, as against 2 authorized members, 1 representative from CII and 3 representatives of UIICL, as against 1

⁵⁴ MoEFCC, RTI response from HSM Division (25 September 2019)

authorized member. Other official members were not present in the meeting. The participation of unofficial members in the Advisory Committee meeting is a bad practice as it is bound to create conflict of interest, especially when decisions on the appointment of new Fund Managers are undertaken with three out of the seven participating members from the existing Fund Manager.

It is also important to highlight that except selection of Fund Manager; the Advisory Committee did not deliberate on other issues in detail. This includes issues like validity period of the policy, methodology for payment of insurance, execution of insurance scheme and ERF, payment of relief, handling cases where cheques for policy premium/ERF bounced- all of which were part of the original terms of reference during their appointment.

G. No penal action on defaulting companies

Sections 13, 14 and 15 of the PLIA deal with a range of penalties for not complying with different provisions under the Act. The MoEFCC in its press release of 7th September 2015 admitted that there are many cases where owners have failed to subscribe to PLI policies because of ignorance.⁵⁵ However, in a response to a question asked under the RTI Act about action taken for such default, the MoEFCC has replied that no penal action under the said sections has been taken by the Ministry till date.⁵⁶

⁵⁵ MoEFCC (n 47)

⁵⁶ MoEFCC, RTI response from HSM Division (02 January 2020)

5. Overview of the ERF

Since November 2008, when the Environment Relief Fund was notified, till March 2019, the fund has grown from Rs 283 Crores to Rs 810 Crores. The corpus is invested in fixed deposits in 13 different banks. A major portion of the fund is invested in the Indian Overseas Bank and Vijaya Bank (Rs 150 Cr each) and the Canara Bank (Rs 112.6 Cr).

The cumulative contribution by different general insurance companies till 2018-19 stood at Rs 3,74,89,95,487. The top five cumulative contributors to the fund are New India Assurance (26.8%) followed by United India Insurance (22.5%), Oriental Insurance (18.3%), National Insurance (16.7%) and Tata AIG (3.3%).

Contributions pursuant to compensation or relief awarded by the National Green Tribunal are not maintained properly and are merely shown in the statement of accounts of the fund under the head "Others" since the year 2012-13. The amount under this head which stands at only Rs 2 Crores, although the NGT has awarded approximately Rs 645 crore in orders passed between 2014 and 2019.

There is also ambiguity regarding the legal status and tax status of the fund, which was first highlighted in the audit report for the year 2008-09 and reiterated every year since. The Fund Manager has expressed its difficulty in applying for PAN, TAN, exemption from TDS and meeting compliance with service tax requirements because of this ambiguity.

Several insurance companies are not submitting Form-III to the Fund Manager as mandated by the ERF scheme notification, because of which the fund manager is not able to maintain comprehensive, up-to-date records of the fund. There were many irregularities observed in the manner in which Form-III is filled, with very few insurers providing complete information. It was also observed that insurance policies under the PLIA have been issued to companies which are not handling hazardous substances.

Section 4 (2A) of the PLI Act mandates that no insurance policy shall be purchased or renewed for an amount less than the paid-up capital of the undertaking and not exceeding Rs 50 crores. The maximum indemnity limit for the insurance under PLI Act is presently capped at 5 Cr per accident and Rs 15 Cr annually as prescribed in the PLI Rules, 1991 and have not been increased since. In one of the forms analysed, a single policy with an indemnity limit of Rs 15 Cr has been issued to one company having multiple units located in different districts. In another such case, it was observed that a single insurance policy, again with an indemnity limit of Rs 15 Cr has been issued to a company running different kinds of industries. This has serious implications because it allows companies that are riskier in terms of the potential harm they pose to health and the environment to reduce their liability, thereby defeating the objective of the PLIA.

The Advisory Committee constituted under Section 21 of the PLI Act has met only twice between January 2015 and August 2019. The manner and circumstance in which important decisions were taken by the committee in its last meeting is a matter of concern.

6. Way Forward

The discussion in the previous section demonstrated that there are problems with the implementation and enforcement of the PLIA, attributable to a general lack of interest, awareness and coordination among different stakeholders. Additionally, there are weaknesses in the Act itself. The Act appears to have been drafted in haste, with some unclear provisions that are not in harmony with other contemporary laws, policies, scientific advancements and practices. This section addresses both these problems and suggests measures that can be taken in the immediate and short-term to strengthen the Act as well as its enforcement.

A. Expanding Scope

The definitions under the Act have been criticized since its enactment by academics as well as lawmakers⁵⁷. Liability under the PLIA is contingent on the occurrence of an accident. An accident under the Act must occur while ‘handling’ a hazardous substance. The Act is already very limited and its scope is further narrowed by the manner in which ‘handling’ is defined. Under the PLIA, the ‘handling’, in relation to any hazardous substance, means the manufacture, processing, treatment, package, storage, transportation by vehicle, use, collection, destruction, conversion, offering for sale, transfer or the like of such hazardous substances.

The selective use of only ‘transportation by vehicle’ excludes accidents which may take place while transporting hazardous substances via air, railways and ships.⁵⁸ This exclusion is particularly significant in light of the fact that the Indian Waterways Act, 2016 increased national waterways from 5 river systems to 116 rivers across the country. One of the justifications while introducing the National Waterways Bill, 2015 was that the inland water transport is recognized as fuel efficient, cost effective and environment friendly mode of transport, especially for bulk goods, *hazardous goods* and over dimensional cargos⁵⁹. If it is the intention of the government to promote inland transport via waterways, particularly for hazardous substances, it follows that an effective regime for liability for harm from accidents during such transport must also be in place. Therefore, the handling of hazardous substances under the PLIA should include all modes of transport.

The Act defines “hazardous substance” as any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act, 1986 (29 of 1986), and exceeding such quantity as may be prescribed, by notification, by the Central Government. These substances and their quantities were notified by the Ministry of Environment and Forests on 24 March 1992 but have never been amended since then. Additionally, these notified substances are not as comprehensive as the list of hazardous chemicals under the Manufacture, Storage and Import of Hazardous Chemical (MSIHC) Rules, 1989. It should also be noted that the Environment Protection Act, 1986, also contains a definition of ‘hazardous substances.’ It is unclear whether such substances would qualify as substances under the PLIA, if quantities in respect of such substances were not notified. We recommend that the list of hazardous substances under the PLIA should include all substances notified under MSIHC Rules and should be periodically updated.

There have been also concerns regarding the exclusion of ‘workman’ (defined under Workmen’s Compensation Act, 1923) as an affected party under the PLIA. As the Act currently stands, a workman cannot claim relief under the PLIA. Questions have also been raised about the liability to grant relief to non-contractual workers on a daily wage or workers working beyond their working hours. This also creates distinction between the workmen and other people who are affected.⁶⁰ Although workmen may claim compensation under the Workmen’s

⁵⁷ Lok Sabha (n 17)

⁵⁸ Raghavan (n 6), Subramanya (n 7)

⁵⁹ The National Waterways Bill, 2015

⁶⁰ Subramanya (n 7)

Compensation Act, 1923, this statute offers the employer more defenses than the PLIA, which is based on no-fault liability.⁶¹

There have been also criticisms regarding the power of the Central Government to exempt Government owners under Section 4(3) from the mandatory requirement to subscribe to a public liability insurance policy. The Central Government may exempt an owner, who is the Central Government, State Government, local authority or any corporation owned or controlled by the Central/State government or State Government. Such exemption may be granted only if a fund has been established and maintained by such owner in accordance with rules under the Act. This provision is seen as discriminatory, provides scope for non-compliance in public sector companies and lacks any valid reasoning.⁶² Thus, this provision should be removed in its entirety.

B. Increase the Quantum of Relief

When the Public Liability Insurance Bill was introduced in parliament, as also when subsequent amendment bills came up for discussion, a key suggestion was increasing the amount of relief stated in the PLIA, which was very low. The Minister who introduced the original bill and subsequent bill for amendment reiterated that the relief under the PLIA is merely interim and immediate relief. It is not intended to act as a substitute for full compensation which may be awarded by court of law.^{63 64} However, given that the Indian judicial system is notorious for delay, it is all the more important that the interim relief awarded by robust.

In this regard, it should be noted that the quantum of relief provided under the PLIA is negligible when compared with present day expenses as well as the quantum of relief provided in the course of other accidents not involving hazardous substances. For e.g. Insurance provided by Indian Railways for its passengers at Re 1 provides the following relief for accidents.⁶⁵

Death	Permanent total Disability	Permanent partial Disability	Hospitalization expenses for injury	Transportation of mortal remains
Rs. 10,00,000	Rs. 10,00,000	Rs. 7,50,000	Rs. 2,00,000	Rs. 10,000

The quantum of relief, which was considered meagre at the time of enactment of the PLIA and which has never been updated since, must be revised.

C. Revise the Indemnity Limit

The PLIA limits the liability under insurance to not less than the paid-up capital of the undertaking, but not exceeding Rs 50 crores.⁶⁶ A limit on the liability of insurers was introduced for the first time through an amendment to the PLIA in 1992, less than a year after the Act came into force.⁶⁷ Before this amendment, there was unlimited liability under insurance policies subscribed to under the Act. This amendment was brought because insurance companies were not issuing policies with unlimited liability. This limitation in insurance cover

⁶¹ Raghavan (n 6)

⁶² Subramanya (n 7)

⁶³ Maneka Gandhi, Ninth Lok Sabha Debate, Sixth Session (1991) Ninth series, Vol XIII No. 6

⁶⁴ Kamal Nath, Lok Sabha Debate, Third Session (1992) Tenth series, Vol IX No. 13

⁶⁵ 'Optional Travel Insurance For E-Ticket Passengers' (Indian Railway Catering and Tourism Corporation Limited) <<http://contents.irctc.co.in/en/InsuranceTermCondition.pdf>>

⁶⁶ Section 4(2A) of the PLI Act.

⁶⁷ The Public Liability Insurance (Amendment) Act, 1992

was complemented by creating the ERF, which was supposed to be built up over the course of time from the surcharge on the insurance premium to meet any expense beyond the insurance policy.⁶⁸

The Public Liability Insurance Rules, 1991 notified on 1st May 1991 further limit the liability of the insurer to rupees five crores per accident and in case of more than one accident during the policy period or one year, whichever is less, to rupees fifteen crores in the aggregate. Any award of relief which exceeds the amount payable under the insurance policy is to be met from the ERF. The Rules therefore, further lower the liability of the insurers by more than one third of the limit originally set by the principal Act in an exercise of excessive delegated legislation.

We recommend that the indemnity limit under the insurance policies should be proportionate to the paid-up capital of the owner and the potential of the risk imposed by a particular industrial settlement. A certain minimum insurance value should be set for any hazardous industry. Any amount that goes beyond the indemnity limit should be paid from the ERF.

If the relief awarded under the Act is not covered by the policy, it is to be met from the ERF. When such a payment is made from the Fund, the owner is required to reimburse this money to the ERF within a period of six months along with interest. This appears to double the liability of the owner in an unjustified manner. The owner is already paying a sum equivalent to the insurance premium to the ERF to cover precisely this kind of contingency i.e. when the insurance policy is not able to meet the relief awarded. A fund, by definition, is a pool of resources that can be used to cover unforeseen expenses. Requiring owners to reimburse the fund appears to negate the purpose for which a fund is created. Instead the upper limit of the liability should be removed and the owners should be allowed to go for higher insurance covers for a higher premium.

D. Digitize the process of Form-III submission

Form-III is a very important document for the insurer as well as industries. The manner in which the form III has been filled is a matter of great concern. We recommend that information sought in the Form-III needs to be updated to make it simpler.

It is also important to simplify the process of submission of Form-III to ensure compliance and better management of the fund. One basic change should mandatorily be shifting the submission of Form-III from paper mode to digital mode. This will ensure that incomplete forms cannot be submitted by the owners. The MOEFCC informed Vidhi that a web-based 'Public Liability Insurance Policy Management System (PLIMPS) is in place to update information with respect to industries covered under the PLIA as well as information about their policies and contributions to the ERF. At present, data from approx. 1600 industries are available on PLIMPS which is based on information received from all Chief Inspectors of Factories on major accident hazards units located in their respective State/UTs for which PLI policy is must.⁶⁹ However, the PLIMPS could not be accessed on the website of MOEFCC, nor it could be found using a simple internet search. Making PLIMPS accessible in the public domain is very important because it has the potential to make the entire process transparent, accountable and self-compliant. Some examples followed could be that of the Environmental Clearances and Consent Management applications available online on the websites of the MoEFCC and State/UT Pollutions Control Boards.

E. Ensuring Compliance

The MoEFCC has been struggling to make industries comply with the PLIA ever since its enactment and has issued several directions in the past,⁷⁰ the success of which is still to be assessed systematically. Other recommendations to improve compliance are:

⁶⁸ Kamal Nath (n 64)

⁶⁹ MoEFCC (n 56)

⁷⁰ Ibid

- i) Make suitable amendments in the Companies Act, 2013 to bring the information on hazardous activities and the status of insurance under the PLIA under the 'mandatory website disclosure'.
- ii) Make it mandatory to provide information about the status of insurance under the PLIA in applications for Consents under the Air Act 1981 and the Water Act 1974, conditions for Environmental Clearances and the six-monthly compliance reports which are submitted by the industries under Environment Impact Assessment Notification, 2006. Consents to Operate and Environmental Clearances should be suspended or revoked for owners who fail to subscribe to PLIA insurance
- iii) Amend the PLIA to increase the minimum penalty⁷¹ for failure to take out insurance policies.

This study was primarily focused on management of the Environment Relief Fund by the Fund Manager. Given the poor state of management and utilization of the fund, the usefulness of the PLIA in addressing the concerns of immediate relief to industrial disaster doesn't seem to be very promising. However, we do not yet have the information of the number of accidents involving hazardous industries, the losses incurred and status of claims accepted or rejected by District Collector. For a complete understanding and assessment of the effectiveness of the ERF, all this information has to be gathered which we plan as the subject of further study.

⁷¹ PLIA 1991, s 14

Appendix I

Copies of some selected Form III accessed at the fund manager's office

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PO No 6058218-02

FORM - III

ERF Scheme under the Public Liability Insurance Act 1991

- 1 Control No. (To be Allotted by Fund Manager): _____
- 2 Name of Insured Owner: Uttam sugar mills Ltd
- 3 Business: Sugar, Distillery, co-gen
- 4 Address: A-2E, CMA Tower, 3rd floor, sect-24, Noida, Uttar Pradesh, Pincode - 201301
- 5 Territorial Limits: India
- 6 Name & Quantities of Hazardous substances handled by owner: *Please attach list as a separate sheet*
- 7 Address of Collector under which Territorial limit is the unit handling hazardous substance falls: Roorkee (Uttarakhand), Muzaffarnagar, Saharanpur & Bijnor (U.P)
- 8 Annual turn - over: 1300 crore
- 9 Paid up capital as defined Sec. 4 (2A) OF the Act (as on the date of the Policy): _____
- 10 Policy Period: 18-03-19 to 17-03-20
- 11 Indemnity Limit: AA 10,00,00,000 AY 30,00,00,000
- 12 Premium: 1,63,500/-
- 13 Contribution to the Environment Relief Fund: 75,000/-
- 14 Date of Proposal and Declaration: _____
- 15 Address of Policy Issuing Office to whom payment has been made: _____
- 16 Date and Particulars of Payment to Insurer: _____
Date _____
Place _____
For _____ (Owner)

Name & Designation Authorized Signatory

NOTE : One copy each of the duly signed form is to be sent directly to the General Insurance Company, the District Collector or District Magistrate and Ministry of Environment and Forests by the owner and two copies are to be submitted to the Insurer will send one copy to the Fund Manager duly signed along with contribution towards ERF.

Form - III



ERF Scheme under the Public Liability Insurance Act 1991

- 1) Control No # : _____
- 2) Name of the Insurance Company issuing the policy : TATA AIG General Insurance Company Limited
- 3) Policy Number : 0302000289
- 4) Name of the Insured Owner : Punjab Pesticides Industrial Co-op society limited
- 5) Business : Manufacturing plant & storage facility

- 6) Address : Vill Khanpur, Kharar Kurali Road, Mohali 140301
- 7) Category of Industry (Red, Orange, Green, White) : Red
- 8) Category to which the PLI policy purchaser belong (plant/ manufacturer/ user/ storage/ importer/ trader/ handler) : Pesticides
- 9) Territorial Limits : India
- 10) Name & Quantities of hazardous substances handled by owner : _____
- 11) Address of Collector under which Territorial limit is the unit handling hazardous substance falls : _____
- 12) Annual turn-over : INR 50,00,00,000
- 13) Paid up capital as defined Sec.4 (2A) of the Act (as on the date of the policy): : INR 9,54,000
- 14) Policy Period : 29-03-2019 to 28-02-2020
- 15) Indemnity Limit : INR 954,000 Any One Accident and
INR 2,862,000 Aggregate during the Policy Period
- 16) Premium : 15,344 + Taxes as applicable on above Premium @18%
- 17) Contribution to the Environment Relief Fund : 15,344
- 18) Date of Proposal and Declaration : _____
- 19) Address of Policy Issuing: office to whom payment has been made : _____
- 20) Date and particulars of payment to insurer : _____

Date :- ____/____/____

Place :-

[Handwritten signature and stamp of Punjab Pesticides Industrial Co-op Society Ltd]

Punjab Pesticides Industrial Co-op Society Ltd

For - Punjab Pesticides Industrial Co-op society limi {Owner}
Name & Designation Authorised Signatory

NOTE: One copy each of the duly signed form is to be sent directly to the General Insurance Company, the District Collector or District Magistrate and Ministry of Environment and Forests by the owner and two copies are to be submitted to the Insurer. The insurer will send one copy to the Fund Manager duly signed along with contribution towards ERF

Dasaru GST :- 36AADCH6634H1Z5

FORM - III ERF Scheme under the Public Liability Insurance Act 1991	
1	Control No. (To be Allotted by the Fund Manager)
2	Name of the Insured Owner Dasaru Lab Pvt Ltd.
3	Business Manufacturing pharmaceutical
4	Address Sy No 615, Veliminedu (C) Chityal (M) Nalgonda (Dist)
5	Territorial Limits INDIA Telangana 508114
6	Name & Quantities of Hazardous substance handled by owner API'S
7	Address of Collector under which Territorial limit is the unit handling hazardous substance falls Veliminedu (C) Chityal (M) Nalgonda (Dist)
8	Annual Turn over 60 Crs
9	Paid up capital as defined as Sec 4 (2A) of the Act (as on the date of the policy) 110 Crs
10	Policy Period 1-01-2019 to 31-12-2019
11	Indemnity Limit Rs 500,00,000 / Rs 15,00,00,000
12	Premium 16,00,000
13	Contribution of Environment Relief Fund 16,00,000
14	Date of Proposal and Declaration 31-12-2018
15	Address of Policy Issuing : office to whom payment has been made MAGMA HOT General Insurance Company Ltd.
16	Date and Particulars of payment to insurer

Date :
Place :

For (Owner)

Name & Designation

Authorised Signatory

Note : One copy each of the duly signed form is to be sent directly to the General Insurance Company, the District Collector or District Magistrate and Ministry of Environment and Forests by the owner and two copies are to be submitted to the insurer. The insurer will send one copy to the Fund Manager duly signed along with contribution towards ERF.

Prasanna Majumdar

250 24/17

FORM - III

ERF SCHEME UNDER THE PUBLIC LIABILITY INSURANCE ACT 1991

MANDATORY FORM, PLEASE FILL ALL FOUR COPIES WITH SIGNATURE

Please sent directly to:

THE DISTRICT COLLECTOR OR DISTRICT MAGISTRATE

Control No. (To be allotted by Fund Manager):

Name of Insured Owner: ABHISAR BUILDWELL PVT LTD

Business: MPG & PROCESSING OF RUBBER AND ALLIED GOODS (SILENT

Address: HRLRT DIVISION ZONE-I PLOT NO: SS70, SS68, SS78
SS77, SCBI, KHATLAN NO.2 GROWTH CENTER BODHJONG, MAGAR, AGARTALA

Territorial Limits: INDIA

Name & Quantities of hazardous substances handled by owner:

Address of Collector under which Territorial limit is the unit handling hazardous substance falls:

Annual turn-over: 10 CRG

Paid up capital as defined Sec.4 (2A) of the Act (as on the date of the policy):

Policy Period: 01/01/2018 to 31/03/2019

Indemnity Limit: 150000000

Premium: 25000/2

Contribution to the Environment Relief Fund: 11468/5

Date of proposal and declaration: 31/03/2018

Address of Policy Issuing: office to whom payment has been made:

Date and particulars of payment to insurer: DD/MM/YYYY

Category of Industry (Tick one of the following. Choose from the "Industry Categorisation" sheet): Red Orange Green White

Category to which the Public Liability policy purchaser belong (Tick one of the following): Plant Manufacture User Storage Importer Trader Handler

Office Use Only

Name of the Insurance Company: ICICI Lombard General Insurance Company Limited

Policy Number:

Date: 31/03/2018 Place: AGARTALA

Owner:

Signature:

For Abhisar Buildwell Pvt Ltd

Authorized Signatory
Authorized Signatory

Appendix II

Inconsistencies in Form III submitted by insurance companies to the fund manager

Company	Uni. Sampo	Magma HDI*	TATA AIG	ICICI Lombard	Cholamandalam	Reliance	Future Generali	SBI
Name of Insured Owner								
Business								
Address								
Territorial Limits								
Name & Quantities of hazardous substances handled by owner								
Address of Collector								
Annual turn over								
Paid up capital as defined Sec 4 92A) of the Act								
Policy period								
Indemnity Limit								
Premium								
Contribution to ERF								
Date of Proposal and declaration								
Address of Policy Issuing Office								
Date and Particular of payment to insurer								
Date								
Place								
Signature								
Name & Designation of Authorised Signatory								

Fine

Inconsistent

For any queries and clarification regarding this report,
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