

III YEAR- V SEMESTER

COURSE CODE: 7BCS5C3

CORE COURSE -XIV- ECONOMIC LAWS

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7BCS5C3 - UNIT I

- Industries Development and Regulation Act, 1951
- Objectives
- Definitions
- Industrial Policy, 1991
- Registration and Licensing of Industrial Undertakings
- Offences and Penalties

Industries Development and Regulation Act of India (1951)!

The Industries (Development and Regulation) Act, (IDRA), came into force from 8th May 1951 under a notification of the Central Government published in the Gazette of India.

The Act extends to whole of India including the state of Jammu & Kashmir with a view to being under Central and regulation of a number of important industries, the activities of which affect the country as a whole and the development of which must be governed by economic factors of all India importance.

Objectives of the Act:

The Important objectives are,

(i) To Implement the Industrial Policy:

The Act provides the necessary means to the Central Government in order to implement its industrial policy.

(ii) Regulation and Development of Important Industries:

The Act brings under the control of the Central Government the development and regulation a number of important industries listed in the first schedule attached to the Act as the activities of such industries will affect the country as a whole and, therefore, the development of such important industries must be governed by the economic factors of all India importance.

(iii) Planning and Future Development of New Undertakings:

A system of licensing is introduced under the Act to regulate planning and future development of new undertaking on sound and balance lines and may be deemed expedient in the opinion of the Central Government.

INDUSTRIAL UNDERTAKING [SEC 3 (d)]

(1) Ancillary industrial undertaking [Sec. 3 (aa)]:

It means an industrial undertaking which in accordance with the provision and the requirement specified under is entitled to be regarded as an ancillary industrial undertaking for the purposes of this Act (inserted by the Amendment Act, 1984)

(2) Small-Scale industrial undertaking [Sec. 3 (i)]:

It means an industrial undertaking which, in accordance with the requirements specified under is entitled to be regarded as a small scale industries undertaking for the purpose of this Act (inserted by the Amendment Act 1984).

(3) Existing Industrial Undertaking [Sec. 3(bb)]:

It means: (a) Industrial undertaking pertaining to any of the industries specified in the first schedule as originally enacted. An industrial undertaking which was in existence on the commencement of the industries (Development and Regulation) Act 1951, i.e. 8th May, 1952

or for the establishment of which effective steps had been taken before such commencement, and

(b) In the case for an industrial undertaking pertaining to any of the industries added to the first schedule by any amendment thereof, an industrial undertaking which is in existence on the coming into force of such amendment or for the establishment of which effective steps had been taken before the coming into force of such amendment.

Scope of the Act:

This Act applies to the whole of India including the State of Jammu & Kashmir, The provision of the Act apply to industrial undertaking, manufacturing any of the articles mentioned in the first schedule. An industrial undertaking (also called a factory) for the purpose of the Act is the one where manufacturing process is being carried on:

- (a) With the aid of power provided that fifty or more workers are working or were working on any day of the preceding twelve months; or
- (b) Without the aid of power provided that one hundred or more workers are working or were working on any day of the preceding twelve months.
- (c) The Act applies only on industrial undertakings. Trading houses and financial institutions are outside the purview of the Act.

Licensing of Undertakings:

Licence is required for establishing a new undertaking, for manufacturing a new article by an existing undertaking, for effecting substantial expansion by an existing unit, for changing location of an existing undertaking and for carrying on issues by an existing undertaking.

a) Licensing of New Undertaking:

Sec.11 of the Act provides that no person or authority, other than the Central Government, shall establish, after the commencement of this Act, a new undertaking without a licence issued by Central government. A State Government also needs a license to set-up a new unit.

b) Production of New Article:

Sec.11A provides that no owner of an industrial undertaking other than the Central Government, which is registered under sec. 10 of this Act or licensed or permitted under Sec.11. of the Act shall produce or manufacture a new article without obtaining a licence to do so.

c) Licence of effecting Substantial Expansion:

Sec. 13 lays down that no owner of an industrial undertaking other than Central Government, a substantial expansion of an undertaking which has been registered or licensed, without a licence issued to that effect by the Central Government. what is substantial expansion in not made clear in this Act.

d) Licence for Shifting Location:

Sec. 13 lays down that without obtaining licence to the effect, no owner can change the any part which has been registered.

e) Licence to carry on Business:

Licence is also necessary to carryon business (COB) by an existing undertaking to which licensing provision of the Act did not originally apply on account of exemption order issued by the government and subsequently became applicable as a result of cancellation of the exemption order under certain other circumstance as provided in the Act.

Penalties:

The Act contains penalties for contravention of the provisions of the Act and for making false statement by any person under the provisions of the Act. The penalty for contravention is imprisonment up to six months, or a fine up to Rs. 5,000 or both.

In case of continuing contravention the person may be punished with an additional fine which may extend to Rs. 500 for everyday during which the contravention continues after the conviction for first contravention. Penalty for making false statement is imprisonment up to three months or a fine which may extend to Rs. 2,000 or both.

THE NEW INDUSTRIAL POLICY

The Industrial Policy announced on July 24, 1991, which heralded the economic reforms in India, has enormously expanded the scope of the private sector key by opening up most of the industries for the private sector and substantially dismantling the entry and growth restrictions. Adjectives such as 'dramatic', 'revolutionary', 'drastic' etc. have been used to describe the nature of the change in the industrial policy.

The salient features of the new policy are the following.

Objectives

The major objectives of the new Industrial Policy package are:

1. To build on the gains already made.
2. To correct the distortions or weaknesses that may have crept in.
3. To maintain a sustained growth in productivity and gain full employment.
4. To attain international competitiveness.

INDUSTRIAL POLICY UP TO 1991

The industrial policy of India prior to the liberalization ushered in 1991 was characterized by the following features.

Reservation of Industries

1. Future development of most of the import industries was exclusively reserved for the public sector.
2. Manufacture of a large number (over 850 in 1991) or items was reserved for the small scale sector.

Dominance of Public Sector

The policy of the Government was to ensure that the public sector gained control over the commanding heights of the economy. The industrial policy Resolution of 1948 established public sector monopoly/near monopoly in 9 industries.

It has been stated that the pursuit of these objectives will be tempered by the need to preserve the environment and ensure the efficient use of available resources. All sectors of industry, whether small, medium or large belonging to the public, private or cooperative sectors will be encouraged to grow and improve on their past performance.

Schedules to Industrial Policy Resolution, 1956

Schedule A

(Industries Reserved for the Public Sector).

1. Arms and ammunition and allied items of defence equipment.
2. Atomic energy.
3. Iron and steel.
4. Heavy castings and forgings of iron and steel.
5. Heavy plant and machinery required for iron and Steel production,
6. for mining, for machine tool manufacture and for such other basic industries as may be specified by the Central Government.
7. Heavy electrical plant including large hydraulic and steam turbines.
8. Coal and lignite.
9. Mineral oils.
10. Mining of iron ore manganese ore, chrome ore, gypsum, Sulphur, gold and diamond.
11. Mining and processing copper, lead, zinc, tin, molybdenum, and wolfram.
12. Minerals specified in the Schedule to the Atomic Energy (Control of Production and Use) Order, 1953.
13. Aircraft
14. Air transport.
15. Railway transport.
16. Shipbuilding.
17. Telephones and telephone cables, telegraph and wireless apparatus (excluding radio receiving sets).
18. Generation and distribution of electricity.

Schedule B

(Industries Where Public Sector Had Priority in Establishing New unit)

1. All other minerals except "minor minerals" as defined in: Section 3 of the Minerals Concession Rules, 1949.
2. Aluminium and other non-ferrous metals not included in Schedule 'A'.
3. Machine tools.
4. Ferro-alloys and tool steels.
5. Basic and intermediate products required by chemical industries such as the manufacture of drugs, dye-stuffs and plastics.
6. Antibiotics and other essential drugs.
7. Fertilizers.
8. Synthetic rubber.
9. Carbonization of coal.
10. Chemical pulp.
11. Road transport
12. Sea transport.

INDUSTRIAL LICENSING

Industries for which industrial licensing is compulsory now are the following:

1. Distillation and brewing of alcoholic drinks.
2. Cigars cigarettes of tobacco and manufactured tobacco substitutes.
3. Electronic aerospace and defence equipment: all types
4. Industrial explosives, including detonating fuses, safety fuses, gun powder, nitrocellulose and matches.
5. Certain specified hazardous chemicals.

7BCS5C3 - UNIT II

- Competition Act, 2002
- Objectives
- Definitions
- Prohibition of Agreements
- Regulation of Combination
- Provisions Relating to Monopolistic and Restrictive Trade Practices
- Competition Commission of India
- Duties and Powers

The Competition Act, 2002

The Competition Act, 2002 was enacted by the Parliament of India and governs Indian competition law. It replaced the archaic The Monopolies and Restrictive Trade Practices Act, 1969. Under this legislation, the Competition Commission of India was established to prevent activities that have an adverse effect on competition in India. This act extends to whole of India except the State of Jammu and Kashmir.

OBJECTS TO BE ACHIEVED

- I. To check anti-competitive practices
- II. To prohibit abuse of dominance
- III. Regulation of combinations.
- IV. To provide for the establishment of CCI, a quasi-judicial body to perform below mentioned duties:
 - Prevent practices having adverse impact on competition
 - Promote and sustain competition in the market
 - Protect consumer interests at large
 - Ensure freedom of trade carried on by other participants in the market
 - Look into matters connected therewith or incidental thereto.

CCI — Duties, Powers and Control of Central Govt

Duties & Powers of CCI

- It shall be the duty of CCI to sustain competition in markets, trade and interests of consumers in markets.
- To sustain competition in markets, CCI has power to make inquiries in case of any certain agreement, abuse or any combination by any person or body corporate on its own or on receipt of complaint by consumer or by reference of govt or any authority.
- **The CCI has powers to inquire into any of acts outside India** that causes adverse impacts on competition within India.
- The Chairperson shall constitute benches to exercise powers of CCI and a bench shall consist of at least 2 members include at least 1 judicial member (qualified to be a judge of High Court). The Bench where Chairperson presides is known as Principal bench and others are known as additional benches.

- **The CCI has power to make inquiry** either Suo Motto or on request of any person, consumer or trade association) and pass order for any certain agreement, abuse of dominant position at cause-adverse effect on competition within India.
- The CCI can impose penalties on enterprises or on persons which shall not be > 10% of turnover of enterprise or person in case of any offence as provided under this act. Also CCI can order to any enterprise or person to pay compensation to person or enterprise who suffered from acts of that person or enterprise
- CCI can advise central govt for division of a dominant enterprise to ensure that it does not abuse its position. Consequently, govt can take action either same as advised by CCI or in other form as case may be
- The CCI has power equivalent to a civil court while discharging its function in-matters such as summoning, producing evidences etc. Also has power to regulate its own procedure such as place of sittings, timings etc.
- Any person or enterprise can appeal to Supreme Court against order of CCI within 60 days from date of order. But no appeal shall be allowed if order passed by CCI involves both parties.
- No Civil court can exercise jurisdiction on any matter under this act or any matter on which CCI is empowered to exercise jurisdiction.

Penalties

- If any enterprise or person not complies with any order of CCI shall liable for punishment of imprisonment up to 1 year or/and fine which shall not be > 10 lakh
- If any person fails to comply with any direction given by CCI or Director General such as ignore summons etc. shall be liable for penalty of Rs 1 lakh per day during such failure continues.
- If any person or enterprise (party to a combination) provides any false information or hide any considerable information shall liable for penalty of not less than 50 lakhs and may be extended up to 1 crore.
- Also every person of an enterprise (contravenes any provisions of act) who was responsible to company-for co duct of-particular business shall-be tried-and punished as may be determined by CCI.

Control of Central Govt over CCI

- The Central Govt has power to exempt any number of enterprises from provisions of act as it may deems fit for security or interests of country or public.
- The Central can issue directions to CCI and CCI is bound to follow that directions.
- The Central Govt can suspend & take charge over the CCI for period not exceeding 6 months in circumstances such as default made by CCI or situation beyond control of CCI or in public interest etc. The Govt shall reconstitute CCI after that period by fresh appointments may be differed from previous one.

Controlling Monopolistic Trade Practices

Monopolistic trade practices were defined as any trade practice by which the company indulged in distorting competition in the market, abuse of market power in the supply and distribution of goods and charging unreasonably high prices and also limiting technical development or deterioration of the quality of the product. The Central Government, on the recommendations made by the MRTP commission could order:

- i. Regulating production , supply and distribution of the product and also fixing the terms of sale;
- ii. Prohibiting the company from adopting any commercial policy or practice that would endanger. competition in production and supply or practice or distribution of goods and services;
- iii. Fixing quality standard for the goods produced by the company, and;
- iv. Also regulating the profits derived by the company from the production, storage, supply and distribution of the product or services.

The Competition Act has essentially four components. The Act:-

- Prohibits anti-competitive agreements like cartels, which restrict freedom of trade and cause consumer harm by way of limiting production and distribution of goods and services and fixing prices higher than normal.
- Prohibits abusive behaviour of a dominant firm, who through its position of dominance may restrict markets and set unfair- and discriminatory conditions.

- Regulates mergers and acquisitions of large corporation in order to Safeguard competitive markets.
- Mandates competition advocacy (With the objective to create awareness on competition issues, the Commission organises interactive meetings, workshops. and seminars, etc., with different regulatory bodies, policymakers, trade organisations, consumer associations and public at large.)

ANTI-COMPETITIVE AGREEMENTS

The Act. prohibits agreements in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse 'effect on competition within India.

According to the Act agreements or decisions which have any of the following effects shall be presumed to have an appreciable adverse effect on competition:

- a)* Directly or indirectly determining purchase or sale prices.
- b)* Limiting or controlling production, supply, markets, technical development, investment or provision of services.
- c)* Sharing the market or source of production or provision services by way of allocation of geographical' market, or type of goods or services, or number of customers in the market or any other similar way.
- d)* Directly or indirectly: resulting in bid rigging or collusive bidding, shall be presumed to have an appreciable: adverse effect on competition.

REGULATION OF COMBINATIONS

The Act provides for regulation of combination through mergers and acquisitions which causes or is likely to cause an appreciable effect on competition. The Competition Commission has the power to regulate mergers or combinations and 'to reverse mergers or combinations if it is of the opinion that a merger-or combination has or is likely to have an 'Appreciable Adverse Effect' (AAE) on competition in India. The Competition (Amendment) Act, 2007 has mandated premerger clearances from CCI to ascertain whether a 'combination' has an 'AAE' on competition within India. Combinations include mergers, amalgamations and acquisition of control, shares, voting rights or assets.

POWER TO EXEMPT

The Central, Government is empowered to exempt from the application of this Act, or any provision. thereof, and for such period as it may specify:

- a)* any class of enterprises if such exemption is necessary in the interest of security of the State or public interest;
- b)* any practice or agreement arising out of and in accordance with any obligation assumed by India under any treaty, agreement or convention with any other country or countries.
- c)* any enterprise which performs a sovereign function on behalf of the Central Government or a State Government, provided that in case an enterprise is engaged in any activity including the to the sovereign functions of the Government, the Central Government may grant exemption only in respect of activity relatable to the sovereign functions.

7BCS5C3 - UNIT III

- Foreign Exchange Management Act, 1999
- Objectives
- Definitions
- Dealings in Foreign Exchange
- Current Account & Capital Account Transactions
- Export of Goods & Services
- Authorised Person
- Penalties & Enforcement

Foreign Exchange Management Act

Foreign Exchange Management Act, 1999(FEMA) is an Act of the Parliament of India "to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India".

Main Features of the Foreign Exchange Management Act (FEMA)!

1. The Foreign Exchange Management Act (FEMA) was an act passed in the winter session of Parliament in 1999, which replaced Foreign Exchange Regulation Act. This act seeks to make offences related to foreign exchange civil offences. It extends to the whole of India.
2. The Foreign Exchange Regulation Act (FERA) of 1973 in India was replaced on June 2000 by the Foreign Exchange Management Act (FERA), which was passed in 1999. The FERA was passed in 1973 at a time when there was acute shortage of foreign exchange in the country.
3. It had a controversial 27 years stint during which many bosses of the Indian corporate world found themselves at the mercy of the Enforcement Directorate. Moreover, any offence under FERA was a criminal offence liable to imprisonment. But FEMA makes offences relating to foreign civil offences.
4. FEMA had become the need of the hour to support the pro- liberalisation policies of the Government of India. The objective of the Act is to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments for promoting the orderly development and maintenance of foreign exchange market in India.
5. FEMA extends to the whole of India. It applies to all branches, offices and agencies outside India owned or controlled by a person, who is a resident of India and also to any contravention there under committed outside India by two people whom this Act applies.

Main Features of the FEMA:

The following are some of the important features of Foreign Exchange Management Act:

- i. It is consistent with full current account convertibility and contains provisions for progressive liberalisation of capital account-transactions.

- ii. It is more transparent in its application as it lays down the area requiring specific permission of the Reserve Bank/Government of India on acquisition/ holding of foreign exchange.
- iii. It classified the foreign exchange transactions in two categories, viz. capital account and current account transactions.
- iv. It provides power to the Reserve Bank for specifying consultation with the central government, the classes of capital account transactions and limits to which exchange is admissible for such transactions.
- v. It gives full freedom to a person resident in India, who was earlier resident outside India, to hold/own/transfer any foreign security/immovable property situated outside India and acquired when s/ he was resident.
- vi. This act is a civil law and the contraventions of the Act provide for arrest only in exceptional cases.
- vii. FEMA does not apply to Indian citizen's resident outside India.

Export of Goods and Services

Section 7 of Chapter II deals with Export of Goods and Services.

7. (1) Every exporter of goods shall

- a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of goods in a market outside India;
- b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realisation of the export proceeds by such exporter.

Authorised Person

- 1) The Director of Enforcement and other officers of Enforcement not below the rank of an Assistant Director shall take up for investigation the contravention found out.
- 2) Without prejudice to the provisions of sub-section (1), the Central Government may also, by notification, authorise any officer or class of officers in the Central

Government, State Government or the Reserve Bank, not below the rank of an under-Secretary to the Government of India to investigate any contravention.

- 3) The officers referred to in Sub-Section (1) shall exercise the like powers which are conferred on income-tax authorities under the Income-Tax Act 1961 and shall exercise such powers, subject to such limitations laid down under that Act.

Capital Account Transactions

FEMA permits dealings in foreign exchange through authorised persons for current account transactions. However, the Central Government can impose reasonable restrictions in public interest.

Current Account Transactions

Any person may sell or draw foreign exchange to or from authorised person for a capital account transaction permitted by the Reserve Bank in consultation with the Central Government.

Foreign Exchange

Foreign exchange means foreign currency and includes

- i. Deposits, credits and balances payable in any foreign currency;
- ii. Drafts, travellers' cheques, letters of credit or bills of exchange, expressed or drawn in Indian currency but payable in any foreign currency,
- iii. Drafts, traveller's cheques, letters of credit or bills of exchange drawn by banks, institutions or persons outside India, but payable in Indian currency.

Foreign Currency

Foreign currency means any currency other than Indian currency.

Foreign Security

Foreign security means any security, in the form of shares, stocks, bonds debentures or any other instrument denominated or expressed in foreign currency and includes, securities expressed in foreign currency, but where redemption or any form of return such as interest or dividends is payable in Indian currency.

Person

Person includes—

- i.* An individual.
- ii.* A Hindu undivided family,
- iii.* A company,
- iv.* A firm,
- v.* An association of persons or a body of individuals, whether, incorporated or not
- vi.* Every artificial juridical person, not falling within any of the preceding, sub clauses,
and
- vii.* Any agency, office or branch owned or controlled by such person.

7BCS5C3 - UNIT IV

- Consumer Protection Act, 1986
- Objectives
- Definitions
- Right of Consumer under CPA
- Nature and Scope of Remedies
- Consumer Grievances Redressal Mechanism

Consumer Protection Act, 1986

Consumer Protection Act, 1986 is an Act of the Parliament of India enacted in 1986 to protect the Interests of consumers in India. It makes provision for the Establishment of consumer councils and other authorities or the settlement of consumers disputes and for matters connected therewith.

Who is a consumer?

A consumer is any person who buys any goods for a consideration and user of such goods where the use is with the approval of a buyer, any person who hires/avails of any service for a consideration & any beneficiary of such services, where such services are availed of with the approval of the person hiring the services. The consumer need not have made full payment.

Where can file a complaint?

A complaint on a plain paper either handwritten or typed, can be filed by a consumer, a registered consumer organisation, central or State Government & one or more consumers, where there are numerous consumers having the same interest. No stamp or court fee is needed

Consumer can make complaints against:-

- A. Any unfair trade practice or restrictive trade practice adopted by the trader.
- B. Defective goods.
- C. Deficiency in service.
- D. Excess price charged by the trader.
- E. Unlawful goods sale which is hazardous to life and safety when used.

Remedies Granted under the Act.

The District Forum / State Commission / National Commission may pass one or more of the following orders to grant relief to the aggrieved consumer:-

- 1) to remove the defects pointed out by the appropriate laboratory from goods in question;
- 2) to replace the goods with new goods of similar description which shall be free from any defect;
- 3) to return to the complainant the price, or, as the case may be, the charges paid by the complainant;
- 4) to pay such amount as may be awarded by it as compensation to the consumer for any loss or injury suffered by the consumer due to negligence of the Opposite party;
- 5) to remove the defects or deficiencies in the services in question;
- 6) to discontinue the unfair trade practice or the restrictive trade practice or not to repeat them;
- 7) not to offer the hazardous goods for sale;
- 8) to withdraw the hazardous goods from being offered for sale;
- 9) to provide for adequate costs to parties.

Important consumer rights include:

1. Right against exploitation by unfair trade practices.
2. Right to protection of health and safety from the goods and services the consumers buy or are offered free.
3. Right to be informed of. the quality and performance standards, ingredients of the product, operational requirement, freshness off the product, possible adverse side-effects and other relevant facts concerning the product or service.
4. Right to be heard if there is any grievance or suggestions.
5. Right to get the genuine grievances redressed.
6. Right to choose the best from a variety of offers.
7. Right to a physical environment that will protect and enhance the quality of life.

UN GUIDELINES FOR CONSUMER PROTECTION

After many years of hard lobbying by the International Organisation of Consumer Unions (later renamed as Consumers International), on 9 April 1985, the United Nations adopted the Guidelines for Consumer Protection by the General Assembly which provide for enhanced protection of consumers by enunciating various steps and measures around seven themes: (1) Physical Safety, (2) Economic Interests, (3) Standards, (4) Essential Goods and Services, (5) Redress, (6) Education and. Information, and (7) Health. The Guidelines also provide for international cooperation in the area of consumer protection. These Guidelines were reviewed from time to time by the UN and resolutions adopted to take the issues forward.

1. To assist countries in achieving or maintaining adequate protection for their population as consumers.
2. To facilitate production and distribution patterns responsive to the needs and desires of consumers.
3. To encourage high levels of ethical conduct for those engaged in the production and distribution of, goods and services to consumers.
4. To assist countries in curbing abusive business practices by all enterprises at the national and international' levels which adversely affect consumers.
5. To facilitate the development of -independent consumer: groups.
6. To further international cooperation in the field of Consume? protection.
7. To encourage the development of market conditions Which provide consumers with greater choice at lower prices.

General Principles: Governments should develop, strengthen or maintain a strong consumer protection policy, taking into account the guidelines set out below. In so doing, each Government must set its own priorities for the protection of consumers in accordance with the economic and social circumstances of the country, and the needs of its population; and bearing in mind the costs and benefits of proposed measures.

The legitimate needs which the guidelines are intended to meet are the following:

1. The protection of consumers from hazards to their health and safety.
2. The promotion and protection of the economic interests of Consumers.

3. Access of consumers to adequate information to enable them: to make informed choices according to individual wishes and needs.
4. Consumer education.
5. Availability of effective consumer redress.
6. Freedom to form consumer and other relevant groups or organisations and the opportunity of such organisations to present their views in decision-making processes affecting them.

CONSUMER PROTECTION COUNCILS

The Act provides for the establishment of a Central Consumer Protection Council by the Central Government and a State Consumer Protection Council in each State by the respective State Governments.

The Central Council shall consist of the Minister in charge of Consumer Affairs in the Central Government who shall be its Chairman and such number of other official or non-official members representing such interests as may be prescribed. The Council shall meet and when necessary but at least one meeting of the Council shall be held every year.

The State Council shall consist of such members as may be specified by the State Government by notification from time to time.

Objects of Councils: The objects of-the Central Council are to promote and protect the rights of consumers such as

- a) the right to be protected against marketing of goods and Services which are hazardous to life and property;
- b) the right to be informed about the quality, quantity, potency purity, standard and price of goods and services so; as to protect the consumer against. unfair: trade. practices;
- c) the right to be assured, wherever possible, access to a variety 'of goods at competitive prices;
- d) the right to be heard and assured that consumers' interests. will receive due, consideration at appropriate forums;
- e) the right to seek redressal against unfair. trade practices or unscrupulous: exploitation of consumers; and
- f) the right to consumer education.

CONSUMER DISPUTES REDRESSAL AGENCIES

There are two levels of Consumer disputes redressal agencies in the State and one agency at the national level, In other words, the Act provides for the establishment of the following consumer disputes redressal agencies:

- i. A District Forum in each district of every State. If the State Government deems it fit, more than one District, Forum; may be established in a district.
- ii. A State Commission in each State.
- iii. A National Commission.

The National Commission was established by the Central Government in August 1988. The responsibility for the establishment of the Other two agencies, with the prior approval of the Central Government, rests with the respective State Government. The District Forum

shall, consist of: (a) a person who is, or has been, or is qualified to be a District Judge nominated by the State Government who shall be its President, (b) a person of eminence in the field of education, trade or commerce, and (c) lady social worker.

Each State Commission shall consist of a person who is or has been a judge of a High Court, appointed by the State Government. (who shall be its President) and two other members who shall be persons of ability, integrity and standing and have adequate knowledge or experience of or have shown capacity in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or- administration, one of whom shall be a woman

The National commission shall consist of a person who is or who has been a judge of the supreme court, appointed by the central government (who shall its President) and two other members who shall be person of ability, integrity and standing and have adequate knowledge or experience of or have shown capacity in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration, one of whom shall be a woman.

Penalties

If a trader or person against whom a complaint is made or the complaint fails or omits to comply with any order made by a redressal agency, he shall be punishable with imprisonment for any term not exceeding three years or with fine not exceeding ten thousand rupees or with both.

7BCS5C3 - UNIT V

- Environmental Protection Act, 1986
- Objectives
- Definition
- General Powers of Central
- Prevention and Control of Environmental Pollution
- Powers of Environmental Authority

ENVIRONMENTAL PROTECTION ACT 1986

Environment Protection Act, 1986 is an Act of the Parliament of India. In the wake of Bhopal Tragedy, The Government of India enacted the Environment Protection Act of 1986 under Article 253 of the Constitution. Passed March 1986, it came into force on the purpose of the Act is to implement the decisions of the United nations Conference on the Human Environments they relate to the protection and improvement of the human environment and the prevention of hazards to human beings, other living creatures, plants and property. The Act is an "umbrella" legislation designed to provide a framework for central government coordination of the activities of various central and state authorities established under previous laws, such as the Water Act and the Air Act.

OBJECTIVES DEFINITIONS

In this Act, unless the context otherwise requires,

- a) "environment" includes water, air and land and the inter- relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organism and property;
- b) "environmental pollutant" means any solid, liquid or gaseous substance present in such concentration as may be, or tend to be, injurious to environment;
- c) "environmental pollution" means the presence in the environment of any environmental pollutant;
- d) "handling" in relation to any substance, means the manufacture, processing, collection, destruction, conversion, offering for sale transfer or the like of such substance.
- e) "hazardous substance" means any substance or preparation which, by reason of its chemical or physio-chemical properties or handling, is liable to cause harm to human beings, other living creatures, plant, micro-organism, property or the environment;
- f) "occupier", in relation to any factory or premises, means a person who has, control over the affairs of the factory or the premises and includes in relation to any substance the person in possession of the substance;
- g) "prescribed" means prescribed by rules made under this Act 1986

GENERAL POWERS OF THE CENTRAL GOVERNMENT

- 1) Environment to the provisions of this Act, the Central Government, shall have the power to take as such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing controlling environmental pollution.
- 2) In particular, and without prejudice to the generality of the provisions of sub-section (1), such measures may include measures with respect to all or any of the following matters, namely:-
 - i. co-ordination of actions by the State Governments, officers and other authorities—
 - a) under this Act, or the rules made thereunder, or
 - b) under any other law for the time being in force which is relatable to the objects of this Act;

- ii. planning and execution of a nation-wide programme for the prevention, control and abatement of environmental pollution:
- iii. laying down standards for the quality of environment in its various aspects;
- iv. laying down standards for emission or discharge of environmental pollutants from various sources whatever

PREVENTION AND CONTROL OF ENVIRONMENT POLLUTION

- 1) For the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution, the standards for emission or discharge of environmental pollutants from the industries, operations or processes shall be as specified in 2 [Schedule I to IV].
- 2) Notwithstanding anything contained in sub-rule (1), the Central Board or a State Board may specify more stringent standards from those provided in 3 [Schedule I to IV] in respect of any specific industry, operation or process depending upon the quality of the recipient system and after recording reasons therefore in writing.
- 3) The standards for emission or discharge of environmental pollutants specified under sub-rule (1) or sub-rule (2). shall be complied with by an industry, operation or process within a period of one year of being so specified.

AIR POLLUTION

Air pollution is described as any change in the composition of air by physical or chemical methods so as to cause injurious effects on health.

Sources of air pollution

The primary sources which cause air pollution are coal and oil combustion refineries, blast furnaces, fumigation explosives, fertilizer plants, transportation, solid waste disposal etc.,

The main pollutants are described below.

Pollutant	Sources
1. Carbon monoxide (CO)	Burning of coal, auto exhausts etc.
2. Nitrogen oxides	Auto exhausts, coal industries
3. Sulphur oxides	Oil and coal combustion industries
4. Hydrocarbon	Auto exhausts, fuel combustion
5. Chlorofluorocarbons	Refrigerator, air conditioner plants
6. Carbon chloride	Chemical industries

WATER POLLUTION

Water pollution can be defined as the presence of any toxic substance in water which affects temporarily or permanently its quality. The presence of any foreign material which changes either physical or chemical properties of water is called water pollution.

Water pollution can be divided into the following types

1. Physical pollution
2. Organic pollution
3. Inorganic pollution
4. Oil pollution
5. Biological pollution
6. Garbage pollution
7. Pesticide pollution
8. Radioactive pollution

SOIL POLLUTION

Now a days industrial wastes, metals oxide, acids, alkalise , aromatic compounds, phenols and pesticides etc have made the soil infertile. This phenomenon is called soil pollution.

Sources of soil pollution

The following are the main sources of soil pollution.

1. Chemical pollutants
2. Metallic pollutants
3. Industrial effluents
4. Agricultural wastes
5. Detergents
6. Pesticides

NOISE POLLUTION

Modern life has given to a new form of pollution, called noise pollution. It is potentially a serious signal and a grave threat to the environmental health.

What is noise?

The word “noise” is derived from the Latin “nausea” meaning feeling of sickness at the stomach with an urge to vomit. Noise is defined as a number of ways. For example,

1. Noise is a sound without value.
2. Noise is an unwanted or disagreeable sound that causes discomfort.
3. Noise is the wrong sound in the wrong place at the wrong time.
4. Noise is that sound which is undesired by the recipient.

THERMAL POLLUTION

The term thermal pollution has been used to indicate the detrimental effects of heated effluents discharged by various power plants. Promotes the impairment of quality and deterioration of aquatic and terrestrial environment.

Various industrial plants like thermal, atomic, coal fired plants, oil field generators, factories and mills utilize water for cooling purposes. The heated effluents are discharged at a temperature 8 to 10 degree Celsius higher than the temperature of intake waters. The heated water discharged in rivers, lakes, streams and ponds etc have reduced concentration of dissolved oxygen which produces distinct changes in aquatic biota and deleterious effects on the ecosystem.

POWERS OF ENVIRONMENT AUTHORITY

- 1) The Central Government may, by notification in the Official Gazette, make rules in respect of all or any of the matters referred to in section 3.
- 2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all-or any of the following matters, namely:--
 - a) the standards of quality of air, water or soil for various areas and purposes;
 - b) the maximum allowable limits of concentration of various environmental pollutants (including noise) for different areas;
 - c) the procedures and safeguards for the handling of hazardous substances;
 - d) the prohibition and restrictions on the handling of hazardous substances in different areas;
 - e) the prohibition and restriction on the location of industries and the carrying on process and operations in different areas;
 - f) the procedures and safeguards for the prevention of accidents which may cause environmental pollution and for providing for remedial measures for such accidents.