

**Business and Sustainable Development**  
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**Lecture - 28**  
**Environmental Laws and Disclosure Regulations**

Welcome to the session. So, if you remember in the last class, we are discussing about the different types of policy instrument like command and control based policy instrument and market based policy instrument. And also, we discuss about the different kind of emission trading and we saw mostly about details about the two market based instrument, what are being existing in India.

One is PAT, that is Perform Achieve and Trade and second one is REC. And also, beyond that also we have seen what are the challenges and opportunity when we go for the market based instrument, mostly in the developing economy. Now, in this session we will see what are the different environmental law that is existing in India.

Mostly, I have picked only the those, there are many more laws, but I have pick few to give you a understanding that what are the different act, what are the different laws that is existing in India with respect to environment, and also how the disclosure regulation started, and what are the changes, or what are the improvement, or what are the revision that his happened to the disclosure regulation.

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**Environmental Law in India**

- MoEF
  - apex administrative body in the country for regulating and ensuring environmental protection
  - lays down the legal and regulatory framework for the same
  - Environment legislations have been put in place
- The MoEF and the "Pollution Control Boards" together form the regulatory and administrative core of the sector
  - Pollution control boards
    - "CPCB", Central Pollution Control Board
    - "SPCBs", State Pollution Control Boards
- Tackling climate change was prioritised in May 2014
  - when the ministry was renamed to the current title of Ministry of Environment, Forest and Climate Change

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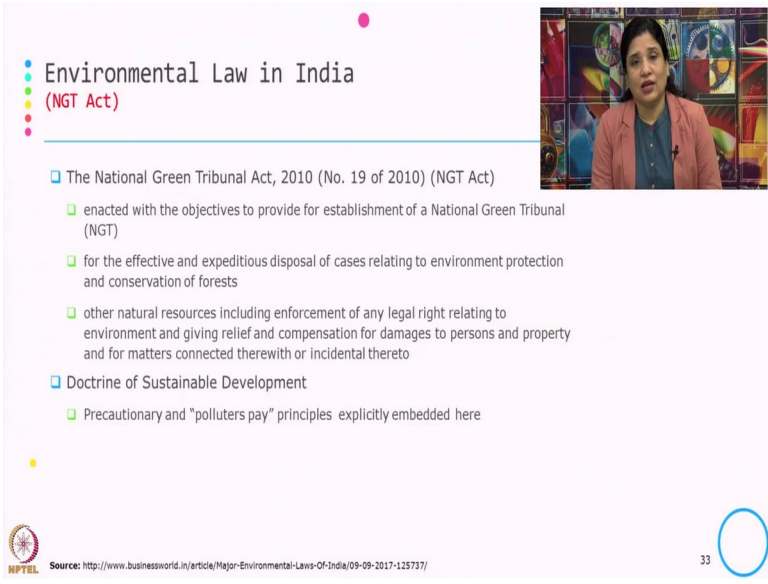
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So, to start with let us start that what is environmental law in India, what are the different environmental law in India. So, we all know that MoEF is the apex body typically the responsible authority in the country for regulating and ensuring environmental protection. It lays down the legal and regulatory framework for the same and they have also put up the environmental legislation.

MoEF and also Pollution Control Board, together they form the regulatory and the administrative core of the sector. So, in the central you will find the Central Pollution Control Board that is overall for the country, and different state we have the State Pollution Control Board with respect to the activities related to the state.


So, in 2014, there was a change that happened with respect to this function of functioning of MoEF. So, although MoEF was looking into the climate change activity, it is the reduction in the climate change activity, different intervene, and responses, but in 2014 that there is a priority by MoEF for the tackling for tackling the climate change. And that point of time the ministry was renamed as Ministry of Environment, Forest and Climate Change, in the short form it is known as MoEFCC.

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**Environmental Law in India**  
**(NGT Act)**

- The National Green Tribunal Act, 2010 (No. 19 of 2010) (NGT Act)
  - enacted with the objectives to provide for establishment of a National Green Tribunal (NGT)
  - for the effective and expeditious disposal of cases relating to environment protection and conservation of forests
  - other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto
- Doctrine of Sustainable Development
  - Precautionary and "polluters pay" principles explicitly embedded here

 Source: <http://www.businessworld.in/article/Major-Environmental-Laws-Of-India/09-09-2017-125737/>

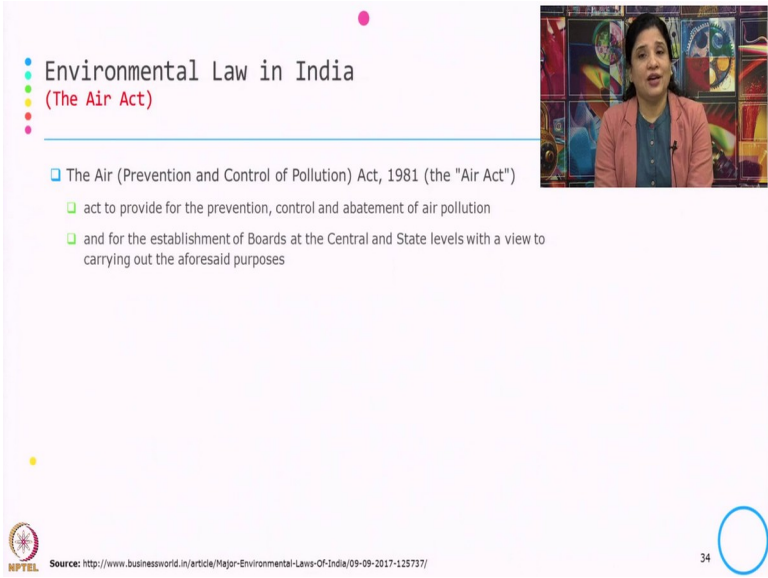
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Now, the first act what we will discuss is that National Green Tribunal Act, 2010. This is typically or popularly known as the NGT Act. And it is being enacted with the objective to provide the establishment of national green tribunal that is NGT. And why this NGT was established? For effective and expeditious disposal of cases relating to

environmental protection and conservation of forest. Also, it takes care of the other natural resources including enforcement of any legal rights relating to environment, giving relief, compensation of for damage to person, property for matters connected to therewith and incidentally thereto.

And they the basis of this National Green Tribunal Act or NGT, it is based on the doctrine of sustainable development. The precautionary principle and polluters pay principle explicitly embedded in case of NGT Act.

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The slide is titled "Environmental Law in India (The Air Act)". It contains a bulleted list of points:

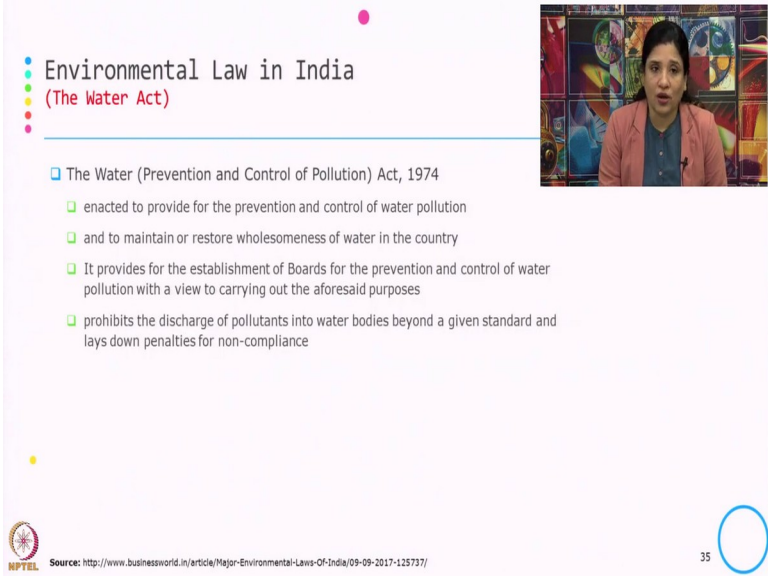
- The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")
  - act to provide for the prevention, control and abatement of air pollution
  - and for the establishment of Boards at the Central and State levels with a view to carrying out the aforesaid purposes

The slide also features a small video inset in the top right corner showing a woman speaking. At the bottom left, there is a logo for NPTEL and a source URL: <http://www.businessworld.in/article/Major-Environmental-Laws-Of-India/09-09-2017-125737/>. The number 34 is visible in the bottom right corner.

Then we have the Air Act. So, if you ask possibly the two act what everybody knows about the environment is, one is Air Act and second one is the Water Act.

So, this Air Act is, this is related to air prevention and, prevention and control of pollution act pollution. It is 1981, it is known as Air Act. This is to provide prevention, control, and abatement of air pollution. And for the establishment of Boards at the Central and State Level with a view to carry out whatever the objective that is to provide prevention, control, and abatement of the air pollution.

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Environmental Law in India  
(The Water Act)

- The Water (Prevention and Control of Pollution) Act, 1974
  - enacted to provide for the prevention and control of water pollution
  - and to maintain or restore wholesomeness of water in the country
  - It provides for the establishment of Boards for the prevention and control of water pollution with a view to carrying out the aforesaid purposes
  - prohibits the discharge of pollutants into water bodies beyond a given standard and lays down penalties for non-compliance

NPTEL Source: <http://www.businessworld.in/article/Major-Environmental-Laws-Of-India/09-09-2017-125737/>

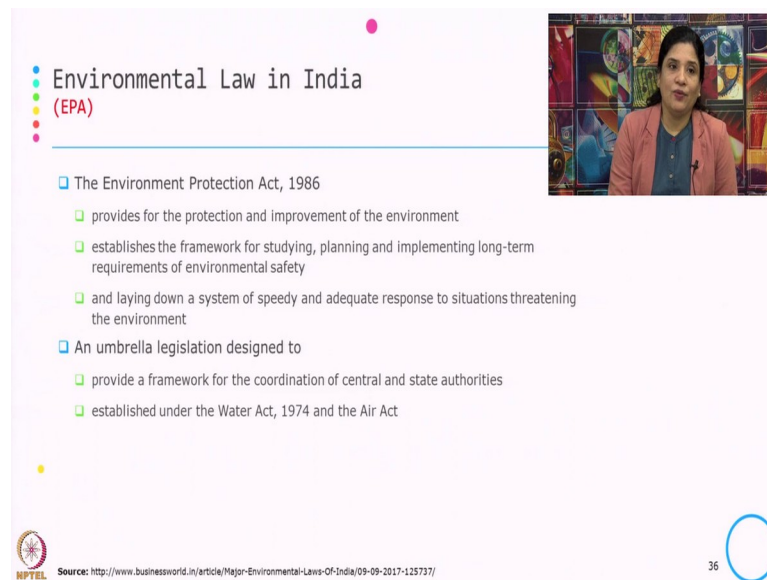
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Then, we have Water Act that is in 1974, and this is being enacted to provide the prevention and control of the water pollution and to maintain and restore wholesomeness of water in the country. It provides the establishment of Board for the prevention and control of water pollution with a view to carrying out the aforesaid purpose.

And also, it prohibit the discharge of pollutants into the water body beyond a given standard lays down the penalty for the non-compliance. So, if you remember at some point of time when we are discussing a case with respect to the research to the water.

So, under this Water Act, the reference to that over here is that typically under Water Act, the Central Pollution Control Board they gave that whatever the dischargeable limited limit for the water pollutant, when they when the waste water get into the nearest water bodies or to the open water body. Like, what should be the limit for BOD, what is the limit for COD, and what is the limit for TSL.

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**Environmental Law in India**  
(EPA)

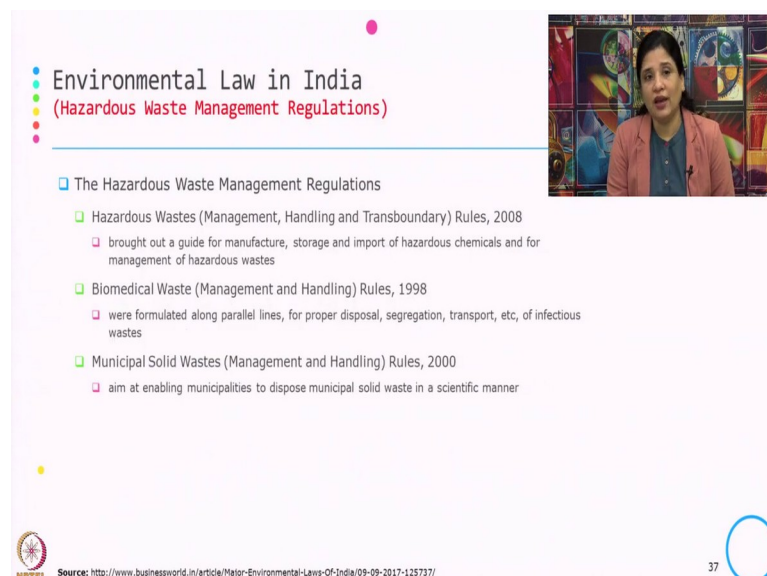
- The Environment Protection Act, 1986
  - provides for the protection and improvement of the environment
  - establishes the framework for studying, planning and implementing long-term requirements of environmental safety
  - and laying down a system of speedy and adequate response to situations threatening the environment
- An umbrella legislation designed to
  - provide a framework for the coordination of central and state authorities
  - established under the Water Act, 1974 and the Air Act

NPTEL Source: <http://www.businessworld.in/article/Major-Environmental-Laws-Of-India/09-09-2017-125737/> 36

Then, we have EPA that is environmental Environment Protection Act, in 1986 started. It provide the protection and improvement for the environment and it is established for the repairing a framework for studying, planning, implementing long-term requirement of the environmental safety. It lays down the system of speedy, adequate response to a situation threatening of the environment.

And this is a umbrella legislation designated to provide the framework of coordination of all central and state authority, established under Water Act and Air Act.

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**Environmental Law in India**  
(Hazardous Waste Management Regulations)

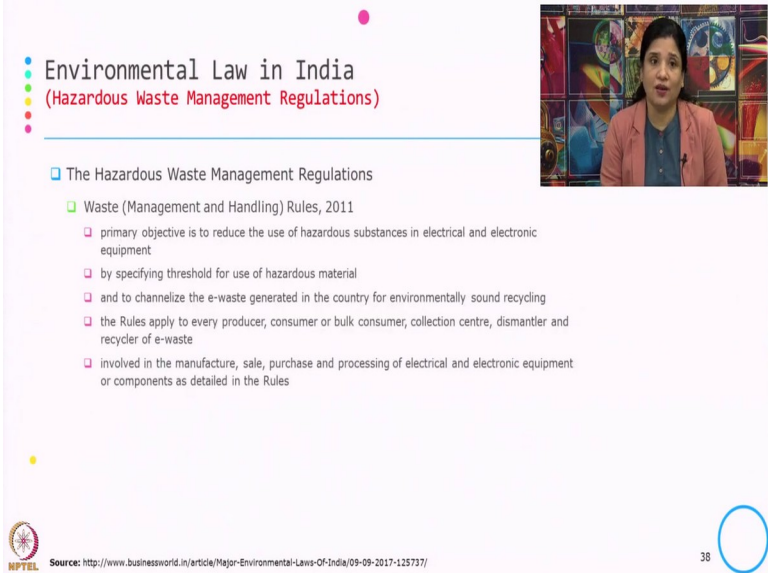
- The Hazardous Waste Management Regulations
  - Hazardous Wastes (Management, Handling and Transboundary) Rules, 2008
    - brought out a guide for manufacture, storage and import of hazardous chemicals and for management of hazardous wastes
  - Biomedical Waste (Management and Handling) Rules, 1998
    - were formulated along parallel lines, for proper disposal, segregation, transport, etc, of infectious wastes
  - Municipal Solid Wastes (Management and Handling) Rules, 2000
    - aim at enabling municipalities to dispose municipal solid waste in a scientific manner

NPTEL Source: <http://www.businessworld.in/article/Major-Environmental-Laws-Of-India/09-09-2017-125737/> 37

Then, we have hazardous waste management rule, and it is in 2008. So, the first one is the Hazardous Waste Rule which start brought out in 2008, and it provides a guide for manufacture, storage import of the hazardous chemical and for management of the hazardous waste.

Then, for Biomedical Waste the Rule was in 1998, about the, which talks about the proper disposal, desegregation, and transport of the infectious waste. And municipal solid waste rules that is in 2000, it aims at municipality to dispose the municipal solid waste in the scientific manner.

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Environmental Law in India  
(Hazardous Waste Management Regulations)

- The Hazardous Waste Management Regulations
  - Waste (Management and Handling) Rules, 2011
    - primary objective is to reduce the use of hazardous substances in electrical and electronic equipment
    - by specifying threshold for use of hazardous material
    - and to channelize the e-waste generated in the country for environmentally sound recycling
    - the Rules apply to every producer, consumer or bulk consumer, collection centre, dismantler and recycler of e-waste
    - involved in the manufacture, sale, purchase and processing of electrical and electronic equipment or components as detailed in the Rules

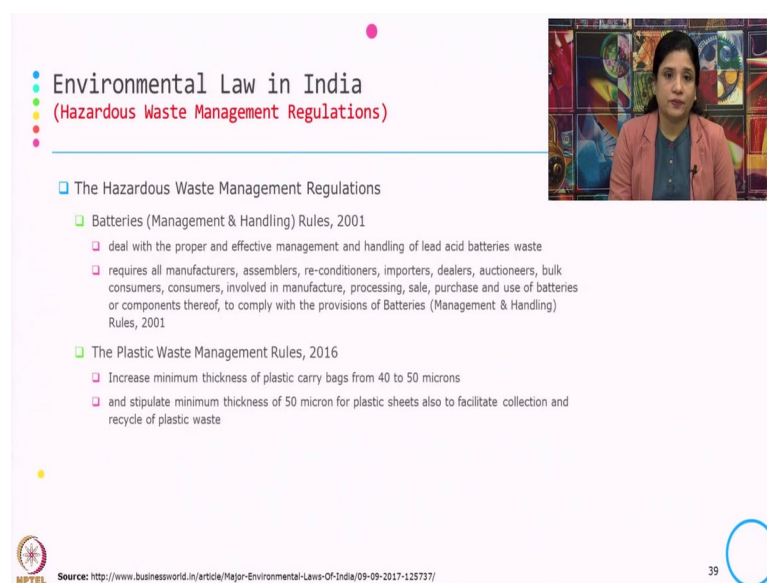
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Similarly, waste rule in 2011 and the primary objective is to reduce the hazardous substance in electrical and electric electronics equipment. And by specifying threshold for the use of the hazardous material. And to channelize the e-waste generated in the country for environmentally sound recycling. And there is one correction over here I think the e is missing over here, it should be e-waste management handing rule in 2011.

The rules apply to every producer, consumer or bulk consumer, collection centre, dismantler and recycler of the e-waste. And it involves the manufacture, sale, purchase, processing of the electrical and electronic equipment or the component as per detailed in the rule.

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The slide is titled "Environmental Law in India (Hazardous Waste Management Regulations)". It features a video inset in the top right corner showing a woman with dark hair wearing a pink jacket, speaking. The main content is a bulleted list of regulations:

- The Hazardous Waste Management Regulations
  - Batteries (Management & Handling) Rules, 2001
    - deal with the proper and effective management and handling of lead acid batteries waste
    - requires all manufacturers, assemblers, re-conditioners, importers, dealers, auctioneers, bulk consumers, consumers, involved in manufacture, processing, sale, purchase and use of batteries or components thereof, to comply with the provisions of Batteries (Management & Handling) Rules, 2001
  - The Plastic Waste Management Rules, 2016
    - Increase minimum thickness of plastic carry bags from 40 to 50 microns
    - and stipulate minimum thickness of 50 micron for plastic sheets also to facilitate collection and recycle of plastic waste

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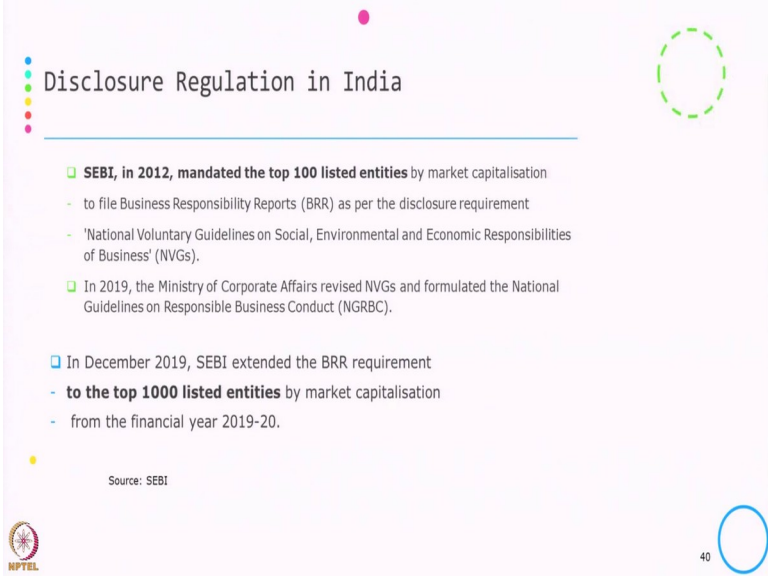
Then, there is a Waste Management Rule for battery that is 2001 deal with proper and effective management of handling of lead acid battery waste. Requires all manufacturer, assembler, and re-conditioner, and all other stakeholder to about sale, purchase, and use a battery component that what should be the what should be the guideline or what are the guide line for the battery rule they have to follow this.

And the most recent rule with respect to this hazardous waste is the plastic waste management rule in 2016, which increase the minimum thickness of plastic carry bag from 40 to 50 micron. And stipulate the minimum thickness of 50 micron for plastics sheet and also facilitate the collection and recycle of the plastic waste.

So, if you look at the entire waste management regulation, they plays a very important role in the circular economy. Because if you look at the transition now happening from the linear economic to the circular economy, and one of the important component where we need proper regulation, where we need proper intervention and also better practices, improve practices because that is a important component to lead to the circular economic practices.



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**Disclosure Regulation in India**

- SEBI, in 2012, mandated the top 100 listed entities by market capitalisation
  - to file Business Responsibility Reports (BRR) as per the disclosure requirement
  - 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs).
- In 2019, the Ministry of Corporate Affairs revised NVGs and formulated the National Guidelines on Responsible Business Conduct (NGRBC).
- In December 2019, SEBI extended the BRR requirement
  - to the top 1000 listed entities by market capitalisation
  - from the financial year 2019-20.

Source: SEBI

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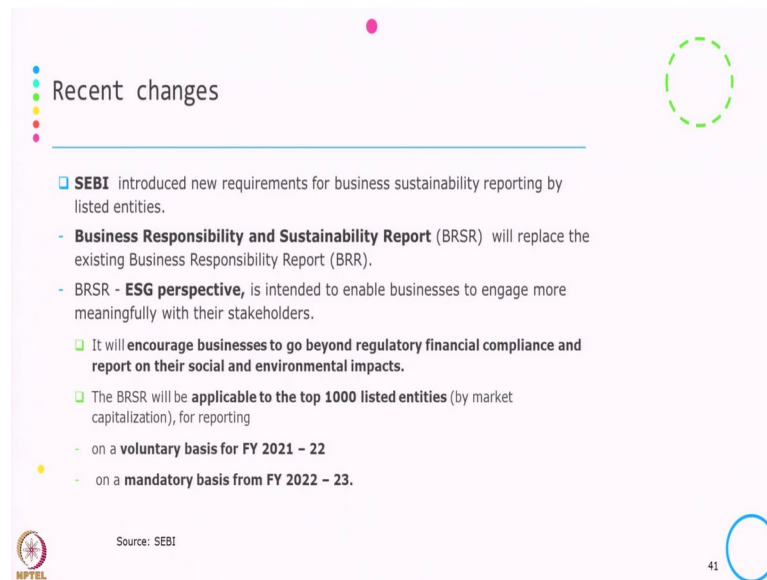
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Then, let us see what is happening in the disclosure regulation in India. So, in 2012, SEBI, they mandated the top 100 listed entities by the market capitalization, to file the Business Responsibility Report as per the disclosure requirement. So, they prepare, this is based on the National Voluntary Guideline on Social, Environmental and Economic Responsibility of Business, popularly known as NVGs. And after 2012, so it was in 2012 there is the top 100 listed they were supposed to file the business responsibility report. It was changed in 2019, MCA, revise the NVG and formulated the national guideline on responsible business conduct which is known as NGRBC.

And in December 2019, SEBI extended the Business Responsibility Report requirement from top 100 to top 1000 listed entity by market capitalisation for the financial year 2019-20.



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**Recent changes**

- SEBI introduced new requirements for business sustainability reporting by listed entities.
- Business Responsibility and Sustainability Report (BRSR)** will replace the existing Business Responsibility Report (BRR).
- BRSR - **ESG perspective**, is intended to enable businesses to engage more meaningfully with their stakeholders.
- It will encourage businesses to go beyond regulatory financial compliance and report on their social and environmental impacts.
- The BRSR will be applicable to the top 1000 listed entities (by market capitalization), for reporting
  - on a voluntary basis for FY 2021 – 22
  - on a mandatory basis from FY 2022 – 23.

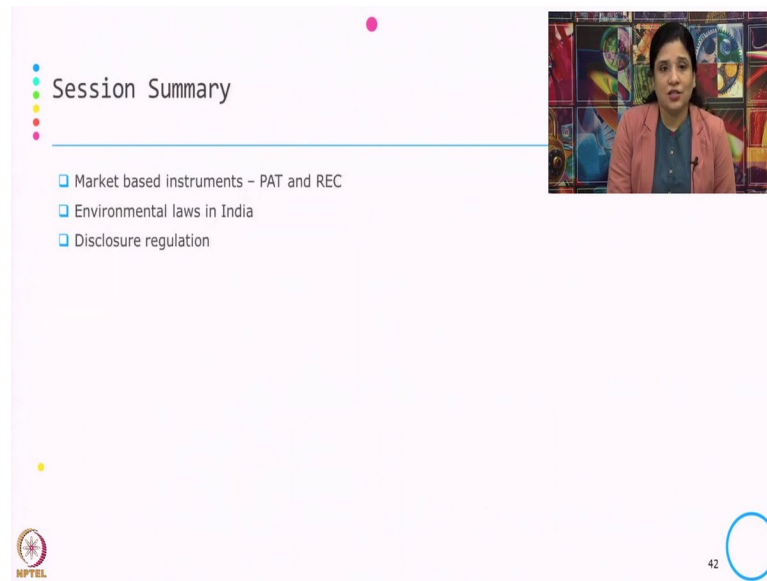
Source: SEBI

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Then, the most recent changes what had happened with respect to disclosure is that it introduce the new requirement of business sustainability reporting for by the listed entity. And the it is not only business responsibility report, now it is called a Business Responsibility and Sustainability Report that is BRSR, will replace the existing business responsibility report.

And the focus is ESG perspective, and it is intended to enable businesses to engage more meaningfully with their stakeholder. It will encourage business to go beyond the regulatory finance financial compliance and report on their social and environmental impact. So, this is applicable to top 1000 listed company by market capitalization for reporting, and this is this will be voluntary on voluntary basis preparing or producing this report in 2021-22, but it would be mandatory from the financial year 22 and 23.

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The slide is titled "Session Summary" and lists three topics: "Market based instruments – PAT and REC", "Environmental laws in India", and "Disclosure regulation". A video inset in the top right corner shows a woman with dark hair wearing a pink jacket, speaking. The NPTEL logo is in the bottom left, and the number 42 is in the bottom right.

### Session Summary

- Market based instruments – PAT and REC
- Environmental laws in India
- Disclosure regulation

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So, in this session, we discuss, in the previous session we discuss about the market based like little bit summary on the market based instrument. And in this session, we discuss about the environmental laws in India, the different laws what are applicable and also few of them what we have discussed in detail, and also we discuss about the disclosure regulation.

Thank you.