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# The Public Liability Insurance Act, 1991

(ACT NO. 6 OF 1991)

[As on the 15th December, 2025]

## LIST OF AMENDING ACTS

1. The Public Liability Insurance (Amendment) Act, 1992 (11 of 1992).
2. The Companies Act, 2013 (18 of 2013).
3. The *Jan Vishwas* (Amendment of Provisions) Act, 2023 (18 of 2023).

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## LIST OF ABBREVIATIONS USED

Cl., cls.	.	.	.	.	.	<i>for</i>	Clause, clauses.
Ins.	.	.	.	.	.	"	Inserted.
Notifn.	.	.	.	.	.	"	Notification.
S., ss.	.	.	.	.	.	"	Section, sections.
Sch.	.	.	.	.	.	"	Schedule.
Subs.	.	.	.	.	.	"	Substituted.
w.e.f.	.	.	.	.	.	"	with effect from.

## THE PUBLIC LIABILITY INSURANCE ACT, 1991

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### ARRANGEMENT OF SECTIONS

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# THE PUBLIC LIABILITY INSURANCE ACT, 1991

ACT NO. 6 OF 1991

[22nd January, 1991.]

An Act to provide for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Forty-first Year of The Republic of India as follows:—

**1. Short title and commencement.**—(1) This Act may be called the Public Liability Insurance Act, 1991.

(2) It shall come into force on such date<sup>1</sup> as the Central Government may, by notification, appoint.

**2. Definitions.**—In this Act, unless the context otherwise requires,—

<sup>2</sup>[(a) “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;]

(b) “Collector” means the Collector having jurisdiction over the area in which the accident occurs;

(c) “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 substance;

(d) “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 as may be specified, by notification, by the Central Government;

(e) “insurance” means insurance against liability under sub-section (1) of section 3;

(f) “notification” means a notification published in the official Gazette;

<sup>3</sup>[(g) “owner” means a person who owns, or has control over handling, any hazardous substance at the time of accident and includes,—

(i) in the case of firm, any of its partners;

(ii) in the case of an association, any of its members; and

(iii) in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to, the company for the conduct of the business of the company;]

(h) “prescribed” means prescribed by rules made under this Act;

<sup>4</sup>[(ha) “property” includes any private property or public property affected or damaged by any unit or undertaking, due to manufacture, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, transfer or such other processes of hazardous substance;]

<sup>5</sup>[<sup>6</sup>[(hb)] “Relief Fund” means the Environmental Relief Fund established under section 7A];

(i) “rules” means rules made under this Act;

1. 1st April, 1991, *vide* Notifn. No. G.S.R 253, dated 27th March, 1991, *see* Gazette of India Ordinary, Part II s. 3(i).

2. Subs. by Act 11 of 1992, s. 2, for cl. (a) (w.e.f. 31-1-1992).

3. Subs. by s. 2, *ibid.*, for cl. (g) (w.e.f. 31-1-1992).

4. Ins. by Act 18 of 2023, s. 2 and Sch. (w.e.f. 1-4-2024).

5. Ins. by Act 11 of 1992, s. 2 (w.e.f. 31-1-1992).

6. Cl. (ha) shall be renumbered as cl. (hb) thereof by Act 18 of 2023, s. 2 and Sch. (w.e.f. 1-4-2024).

(j) "vehicle" means any mode of surface transport other than railways;

<sup>1</sup>[(k) words and expressions used and not defined in this Act but defined in the Transfer of Property Act, 1882 (4 of 1882), and the Environment (Protection) Act, 1986 (29 of 1986), shall have the meanings respectively assigned to them in those Acts.]

**3. Liability to give relief in certain cases on principle of no fault.**—<sup>2</sup>[(I) Where death or injury to any person (other than a workman) or damage to any property has resulted from an accident, the owner shall be liable to reimburse such amount, or provide such other relief as may be prescribed, for—

- (a) death due to fatal accident;
- (b) medical expenses incurred due to total or partial disability;
- (c) loss of wages due to partial disability;
- (d) other injury or sickness;
- (e) damage to private property;

or

- (f) such other loss or damage, as may be prescribed.]

(2) In any claim for relief under sub-section (I) (hereinafter referred to in this Act as claim for relief), the claimant shall not be required to plead and establish that the death, injury or damage in respect of which the claim has been made was due to any wrongful act, neglect or default of any person.

*Explanation.*—For the purposes of this section,—

(i) "workman" has the meaning assigned to it in the Workmen's Compensation Act, 1923 (8 of 1923);

(ii) "injury" includes permanent total or permanent partial disability or sickness resulting out of an accident.

**4. Duty of owner to take out insurance policies.**—<sup>2</sup>[(I) Every owner of any undertaking shall take out, before he starts handling any hazardous substance, one or more insurance policies for such undertaking or unit providing for contracts of insurance whereby he is insured against liability to give such relief or reimburse such amount referred to in sub-section (I) of section 3.

*Explanation.*—For the purposes of this sub-section, it is hereby clarified that any undertaking having separate consent to operate under—

(i) the Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974); and

(ii) the Air (Prevention and Control of Pollution) Act, 1981 (14 of 1981), shall be treated as a separate unit:

Provided that any owner handling any hazardous substance immediately before the commencement of the *Jan Vishwas* (Amendment of Provisions) Act, 2023 shall take out such insurance policy or policies as soon as may be and in any case within a period of one year from commencement of that Act.]

(2) Every owner shall get the insurance policy, referred to in sub-section (I), renewed from time to time before the expiry of the period of validity thereof so that the insurance policies may remain in force throughout the period during which such handling is continued.

<sup>3</sup>[<sup>4</sup>[(2A) An insurance policy taken out or renewed by an owner for any undertaking or unit shall be for an amount which shall not be less than the amount of the paid-up capital of that undertaking or unit handling any hazardous substance owned or controlled by that owner and may extend to such amount as may be prescribed but not exceeding five hundred crore rupees.

1. Ins. by Act 18 of 2023, s. 2 and Sch. (w.e.f. 1-4-2024).

2. Subs. by s. 2 and Sch., *ibid.*, for sub-section (I) (w.e.f. 1-4-2024).

3. Ins. by Act 11 of 1992, s. 3 (w.e.f. 31-1-1992).

4. Subs. by Act 18 of 2013, s. 2 and Sch. (w.e.f. 1-4-2024).

*Explanation.—* For the purposes of this sub-section “paid-up capital”, in relation to an owner not being a company, means the market value of all assets and stocks of the undertaking on the date of contract of insurance.]

(2B) The liability of the insurer under one assurance policy shall not exceed the amount specified in the terms of the contract of insurance in that insurance policy.

(2C) Every owner shall also, together with the amount of premium, pay to the insurer, for being credited to the Relief Fund established under section 7A, such further amount, not exceeding the sum equivalent to the amount of premium, as may be prescribed.

(2D) The insurer shall remit to the authority specified in sub-section (3) of section 7A the amount received from the owner under sub-section (2C) for being credited to the Relief Fund in such manner and within such period as may be prescribed and where the insurer fails to so remit the amount, it shall be recoverable from the insurer as arrears of land revenue or of public demand.]

(3) The Central Government may, by notification, exempt from the operation of sub-section (1) any owner, namely:—

- (a) the Central Government;
- (b) any State Government;
- (c) any corporation owned or controlled by the Central Government or a State Government; or
- (d) any local authority:

Provided that no such order shall be made in relation to such owner unless a fund has been established and is maintained by that owner in accordance with the rules made in this behalf for meeting any liability under sub-section (1) of section 3.

**5. Verification and publication of accident by Collector.**—Whenever it comes to the notice of the Collector that an accident has occurred at any place within his jurisdiction, he shall verify the occurrence of such accident and cause publicity to be given in such manner as he deems fit for inviting applications under sub-section (1) of section 6.

**6. Application for claim for relief.**—(1) An application for claim for relief may be made—

- (a) by the person who has sustained the injury;
- (b) by the owner of the property to which the damage has been caused;
- (c) where death has resulted from the accident, by all or any of the legal representatives of the deceased; or
- (d) by any agent duly authorised by such person or owner of such property or all or any of the legal representatives of the deceased, as the case may be:

Provided that where all the legal representatives of the deceased have not joined in any such application for relief, the application shall be made on behalf of or for the benefit of all the legal representatives of the deceased and the legal representatives who have not so joined shall be impleaded as respondents to the application.

<sup>1</sup>[(1A) Where any damage has been caused to any public property or private property due to manufacture, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, transfer or such other processes, of such hazardous substance, an application for claim for restoration of the property may be made by the owner of the property or such other person, as may be prescribed, to the Collector.]

(2) Every application under sub-section (1) shall be made to the Collector and shall be in such form, contain such particulars and shall be accompanied by such documents as may be prescribed.

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1. Ins. by Act 18 of 2023, s. 2 and Sch. (w.e.f. 1-4-2024).

(3) No application for relief shall be entertained unless it is made within five years of the occurrence of the accident.

**7. Award of relief.**—(1) On receipt of an application under sub-section (1) of section 6, the Collector shall, after giving notice of the application to the owner and after giving the parties an opportunity of being heard, hold an inquiry into the claim or, each of the claims, and may make an award determining the amount of relief which appears to him to be just and specifying the person or persons to whom such amount of relief shall be paid.

(2) The Collector shall arrange to deliver copies of the award to the parties concerned expeditiously and in any case within a period of fifteen days from the date of the award.

<sup>1</sup>[(3) When an award is made under this section,—

(a) the insurer, who is required to pay any amount in terms of such award and to the extent specified in sub-section (2B) of section 4, shall, within a period of thirty days of the date of announcement of the award, deposit that amount in such manner as the Collector may direct;

(b) the Collector shall arrange to pay from the Relief Fund, in terms of such award and in accordance with the scheme made under section 7A, to the person or persons referred to in sub-section (1) such amount as may be specified in that scheme;

(c) the owner shall, within such period, deposit such amount in such manner as the Collector may direct.]

(4) In holding any inquiry under sub-section (1), the Collector may, subject to any rules made in this behalf, follow such summary procedure as he thinks fit.

(5) The Collector shall have all the powers of Civil Court for the purpose of taking evidence on oath and of enforcing the attendance of witnesses and of compelling the discovery and production of documents and material objects and for such other purposes as may be prescribed; and the Collector shall be deemed to be a Civil Court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).

(6) Where the insurer or the owner against whom the award is made under sub-section (1) fails to deposit the amount of such award within the period specified under sub-section (3), such amount shall be recoverable from the owner, or as the case may be, the insurer as arrears of land revenue or of public demand.

(7) A claim for relief in respect of death of, or injury to, any person or damage to any property shall be disposed of as expeditiously as possible and every endeavour shall be made to dispose of such claim within three months of the receipt of the application for relief under sub-section (1) of section 6.

<sup>2</sup>[(8) Where an owner is likely to remove or dispose of his property with the object of evading payment by him of any amount of award, the Collector may, in accordance with the provisions of rules 1 to 4 of Order XXXIX of the First Schedule to the Code of Civil Procedure, 1908 (5 of 1908), grant a temporary injunction to restrain such act.]

<sup>3</sup>[(9) Where the environment is affected or damaged due to manufacture, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, transfer or such other processes, of such hazardous substance, the Central Government may, on an application made by the Central Pollution Control Board or the State Pollution Control Board, as the case may be, allocate the fund from the Environmental Relief Fund for restoration of the damage so caused in the manner as may be prescribed.]

<sup>4</sup>[(7A. **Establishment of Environmental Relief Fund.**—(1) The Central Government may, by notification, establish a fund to be known as the Environmental Relief Fund.

1. Subs. by Act 11 of 1992, s. 4, for sub-section (3) (w.e.f. 31-1-1992).

2. Ins. by s. 4, *ibid.* (w.e.f. 31-1-1992).

3. Ins. by Act 18 of 2023, s. 2 and Sch. (w.e.f. 1-4-2024).

4. Ins. by Act 11 of 1992, s. 5, (w.e.f. 31-1-1992).

<sup>1</sup>[(1A) There shall be credited to the Relief Fund established under sub-section (1)—

- (a) the amount referred to in sub-section (2C) of section 4;
- (b) the amount of penalty imposed under this Act;
- (c) the interest or other income received out of investments made from the Fund; and
- (d) any other amount from such sources, as may be prescribed.]

(2) The Relief Fund shall be utilised for paying, in accordance with the provisions of this Act and the scheme made under sub-section (3), relief under the award made by the Collector under section 7.

(3) The Central Government may, by notification, make a scheme specifying the authority in which the Relief Fund shall vest, the manner in which the Relief Fund shall be administered, the form and the manner in which money shall be drawn from the Relief Fund and for all other matters connected with or incidental to the administration of the Relief Fund and the payment of relief therefrom.]

**8. Provisions as to other right to claim compensation for death, etc.**—(1) The right to claim relief under sub-section (1) of section 3 in respect of death of, or injury to, any person or damage to any property shall be in addition to any other right to claim compensation in respect thereof under any other law for the time being in force.

(2) Notwithstanding anything contained in sub-section (1), where in respect of death of, or injury to, any person or damage to any property, the owner, liable to give claim for relief, is also liable to pay compensation under any other law, the amount of such compensation shall be reduced by the amount of relief paid under this Act.

**9. Power to call for information.**—Any person authorised by the Central Government may, for the purposes of ascertaining whether any requirements of this Act or of any rule or of any direction given under this Act have been compiled with, require any owner to submit to that person such information as that person may reasonably think necessary.

**10. Power of entry and inspection.**—Any person, authorised by the Central Government in this behalf, shall have a right to enter, at all reasonable times with such assistance as he considers necessary, any place, premises or vehicle, where hazardous substance is handled for the purpose of determining whether any provisions of this Act or of any rule or of any direction given under this Act is being or has been compiled with and such owner is bound to render all assistance to such person.

**11. Power of search and seizure.**—(1) If a person, authorised by the Central Government in this behalf, has reason to believe that handling of any hazardous substance is taking place in any place, premises or vehicle, in contravention of sub-section (1) of section 4, he may enter into and search such place, premises or vehicle for such handling of hazardous substance.

(2) Where, as a result of any search under sub-section (1) any handling of hazardous substance has been found in relation to which contravention of sub-section (1) of section 4 has taken place, he may seize such hazardous substance and other things which, in his opinion, will be useful for, or relevant to, any proceeding under this Act:

Provided that where it is not practicable to seize any such substance or thing, he may serve on the owner an order that the owner shall not remove, part with, or otherwise deal with, the hazardous substance and such other things except with the previous permission of that person.

(3) He may, if he has reason to believe that it is expedient so to do to prevent an accident dispose of the hazardous substance seized under sub-section (2) immediately in such manner as he may deem fit.

(4) All expenses incurred by him in the disposal of hazardous substances under sub-section (3) shall be recoverable from the owner as arrears of land revenue or of public demand.

**12. Power to give directions.**—Notwithstanding anything contained in any other law but subject to the provisions of this Act, the Central Government may, in exercise of its powers and performance of its

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1. Ins. by Act 18 of 2023, s. 2 and Sch. (w.e.f. 1-4-2024).

functions under this Act, issue such directions in writing as it may deem fit for the purposes of this Act to any owner or any person, officer, authority or agency and such owner, person, officer, authority or agency shall be bound to comply with such directions.

*Explanation.*—For the removal of doubts, it is hereby declared that the power to issue directions under this section includes the power to direct—

- (a) prohibition or regulation of the handling of any hazardous substance; or
- (b) stoppage or regulation of the supply of electricity, water or any other service.

**13. Power to make application to Courts for restraining owner from handling hazardous substances.**—(1) If the Central Government or any person authorised by that Government in this behalf has reason to believe that any owner has been handling any hazardous substance in contravention of any of the provisions of this Act, that Government or, as the case may be, that person may make an application to a Court, not inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of first class for restraining such owner from such handling.

- (2) On receipt of the application under sub-section (1), the Court may make such order as it deems fit.
- (3) Where under sub-section (2), the Court makes an order restraining any owner from handling hazardous substance, it may, in that order—

- (a) direct such owner to desist from such handling;

(b) authorise the Central Government or, as the case may be, the person referred to in sub-section (1), if the direction under clause (a) is not complied with by the owner to whom such direction is issued, to implement the direction in such manner as may be specified by the Court.

(4) All expenses incurred by the Central Government, or as the case may be, the person in implementing the directions of Court under clause (b) of sub-section (3), shall be recoverable from the owner as arrears of land revenue or of public demand.

**<sup>1</sup>[14. Penalty for contravention.]**—(1) Where any person contravenes any of the provisions of sub-section (1), sub-section (2), sub-section (2A) or sub-section (2C) of section 4, he shall be liable to penalty equal to the amount of annual premium for insurance policy and may extend to twice the amount of such premium.

(2) Where contravention under subsection (1) continues, an additional penalty may be imposed by the adjudicating officer, which shall not exceed the amount of premium to be paid, for each month or part thereof during which the contravention continues.

**15. Penalty for non-compliance of directions.**—(1) Where any person does not comply with any direction issued under section 12, he shall be liable to penalty which shall not be less than ten thousand rupees which may extend to fifteen lakh rupees.

(2) Where any person continues non-compliance under sub-section (1), he shall be liable to additional penalty to be imposed by the adjudicating officer, which shall not be less than ten thousand rupees for every day during which such non-compliance continues.

(3) Where any owner does not comply with the direction issued under section 9 or obstructs any person in discharge of his functions under section 10 or under sub-sections (1), (2) or (3) of section 11, he shall be liable to penalty which shall not be less than ten thousand rupees but which may extend to fifteen lakh rupees.

(4) Where any person continues non-compliance under sub-section (3), he shall be liable to additional penalty of ten thousand rupees for every day during which such non-compliance continues.

**15A. Adjudicating officer.**—(1) The Central Government, for the purposes of determining the penalties under sections 14 or 15, may appoint the District Magistrate having jurisdiction over the area or an officer not below the rank of Director to the Government of India or an officer not below the rank of

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1. Subs. by Act 18 of 2023, s. 2 and Sch. for sections 14 and 15 (w.e.f. 1-4-2024).

Joint Secretary to the State Government, to be the adjudicating officer, to hold an inquiry and impose penalty in the manner, as may be prescribed:

Provided that the Central Government may appoint as many adjudicating officers as may be required.

(2) The adjudicating officer may summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in the opinion of the adjudicating officer, may be useful for, or relevant to, the subject matter of the inquiry and if, on such inquiry, he is satisfied that the person concerned has failed to comply with the provisions of sub-section (1), sub-section (2), sub-section (2A) or sub-section (2C) of section 4 and section 12, he may determine such penalty as he thinks fit under the provisions of sections 14 and 15:

Provided that no such penalty shall be imposed without giving the person concerned a reasonable opportunity of being heard.

**15B. Appeal.**—(1) Whoever aggrieved by the order, passed by the adjudicating officer under section 15A, may prefer an appeal to the National Green Tribunal established under section 3 of the National Green Tribunal Act, 2010 (19 of 2010).

(2) Every appeal under sub-section (1) shall be filed within sixty days from the date on which the copy of the order made by the adjudicating officer is received by the aggrieved person.

(3) The Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such order as it thinks fit, confirming, modifying or setting aside the order appealed against.

(4) Where an appeal is preferred against any order of the adjudicating officer under sub-section (1), such appeal shall not be entertained by the Tribunal unless such person has deposited with the Tribunal ten per cent. of the amount of the penalty imposed by the adjudicating officer.]

**16. [Offences by companies.]**—*Omitted by the Jan Vishwas (Amendment of Provisions) Act, 2023 (18 of 2023), s. 2 and Schedule (w.e.f. 1-4-2024).*

<sup>1</sup>**[17. Penalty for contravention by Government Department.]**—(1) Where contravention of any provision of this Act has been committed by any Department of the Central Government or State Government, the Head of the Department shall be liable to penalty equal to one month of his basic salary:

Provided that he shall not be liable for such contravention, if he proves that the contravention was committed without his knowledge or instructions or that he exercised all due diligence to prevent such contravention.

(2) Where any contravention under sub-section (1) is attributable to any neglect on the part of, any officer, other than the Head of the Department, he shall be liable to penalty equal to one month of his basic salary:

Provided that he shall not be liable for the contravention, if he proves that he exercised all due diligence to avoid such contravention.

**17A. Penalty amount to be credited to Environmental Relief Fund.**—Where any penalty or additional penalty, as the case may be, is imposed under section 14 or section 15 or section 17, the amount of such penalty shall be credited to the Environmental Relief Fund established under section 7A.

**17B. Offence for failure to pay penalty or additional penalty.**—(1) Where any person fails to pay the penalty or additional penalty imposed for—

(a) contravention or continued contravention under section 14 or 17, as the case may be; or

(b) non-compliance of the directions issued under section 15, within ninety days of such imposition, he shall be liable for imprisonment which may extend to three years or with fine which may extend up to fifteen lakh rupees, or with both.

(2) Where any offence under subsection (1) has been committed by a company, every person who, at the time the offence was committed, was directly in charge of, and was responsible to, the company for

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1. Subs. by Act 18 of 2023, s. 2 and Sch. for section 17 (w.e.f. 1-4-2024).

the conduct of the business of the company, as well as the company, shall be deemed to be guilty of such offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything contained in sub-section (2), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director,

manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals;

(b) “director” includes director of the company and in relation to a firm, a partner in the firm.]

**18. Cognizance of offences.**—No court shall take cognizance of any offence under this Act except on a complaint made by—

(a) the Central Government or any authority or officer authorised in this behalf by that Government; or

(b) any person who has given notice of not less than sixty days in the manner prescribed, of the alleged offence and of his intention to make a complaint, to the Central Government or the authority or officer authorised as aforesaid.

**19. Power to delegate.**—The Central Government may, by notification, delegate, subject to such conditions and limitations as may be specified in the notification, such of its powers and functions under this Act (except the power under section 23) as it may deem necessary or expedient to any person (including any officer, authority or other agency).

**20. Protection of action taken in good faith.**—No suit, prosecution or other legal proceeding shall lie against the Government or the person, officer, authority or other agency in respect of anything which is done or intended to be done in good faith in pursuance of this Act or the rules made or orders or directions issued thereunder.

**21. 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.

**22. Effect of other laws.**—The provisions of this Act and any rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law.

**23. Power to make rules.**—(1) The Central Government may, by notification, make rules for carrying out the purposes of this Act.

(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—

<sup>1</sup>[<sup>2</sup>[(a) such amount under subsection (2A) of section 4;]

(aa) the amount required to be paid by every owner for being credited to the Relief Fund under sub-section (2C) of section 4;

(ab) the manner in which and the period within which the amount received from the owner is required to be remitted by the insurer under sub-section (2D) of section 4;

<sup>3</sup>[(ac)] establishment and maintenance of fund under sub-section (3) of section 4;

(b) the form of application and the particulars to be given therein and the documents to accompany such application under sub-section (2) of section 6;

(c) the procedure for holding an inquiry under sub-section (4) of section 7;

(d) the purposes for which the Collector shall have powers of a Civil Court under sub-section (5) of section 7;

(e) the manner in which notice of the offence and of the intention to make a complaint to the Central Government shall be given under clause (b) of section 18;

<sup>4</sup>[(ea) amount or relief and any other loss or damage under sub-section (1) of section 3;

(eb) such other person under sub-section (1A) of section 6;

(ec) manner of allocation of fund for restoration of damage under sub-section (9) of section 7;

(ed) any other amount from other sources under clause (d) of sub-section (1A) of section 7A;

(ee) manner of holding inquiry and imposing penalty under sub-section (1) of section 15A;]

(f) any other matter which is required to be, or may be, prescribed.

(3) Every <sup>5</sup>[rule or scheme] made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the <sup>5</sup>[rule or scheme] or both Houses agree that the <sup>5</sup>[rule or scheme] should not be made, the <sup>5</sup>[rule or scheme] shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that <sup>5</sup>[rule or scheme].

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1. Ins. by Act 11 of 1992, s. 7 (w.e.f. 31-1-1992).

2. Subs. by Act 18 of 2023, s. 2 and Sch. for cl. (a) (w.e.f. 1-4-2024).

3. Cl. (a) shall be re-lettered as cl. (ac) by Act 11 of 1992, s. 7, (w.e.f. 31-1-1992).

4. Ins. by Act 18 of 2023, s. 2 and Sch. (w.e.f. 1-4-2024).

5. Subs. by Act 11 of 1992, s. 7, for “rule” (w.e.f. 31-1-1992).

THE SCHEDELE— *Omitted by the Jan Vishwas (Amendment of Provisions) Act, 2023 (18 of 2023), s. 2 and Schedule (w.e.f. 1-4-2024).*

## STATEMENT OF OBJECTS AND REASONS

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 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.

NEW DELHI;

*The 25th May, 1990.*

NILAMANI ROUTRAY.