

**Brief Assessment of
Environmental Compensation**

Under Plastic Waste Management Rules , 2016 (as amended)

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Key Highlights of EC Regime

Guidelines for Assessment of Environment Compensation to be levied for Violation of Plastic Waste Management Rules, 2016.” Published in September 2022

Key Highlights From the EC Regime

- - EC fine will be levied at Rs. 5000/ton and will be doubled on 2nd & 3rd violation .
- Closure/Seizure of Unit, Revocation of Consent & Certificate and Penalty as per section 15(1) of EPA 1986.
- EC to be levied not obtaining Registration on the Centralized Portal .
- Provisions of PWM Rule specifying the Violators and Violations in detail. Violators identified – PIBOs, PWPs, Manufacturer, Local Bodies , Street Vendors/Retailers, Commercial Establishment, distributors/stockist.
- The Environment Compensation, as applicable, will be imposed by CPCB on the PIBOs functioning in more than two states w.r.t in case of non-compliance to EPR targets and responsibilities in these directions.
- The Environment Compensation shall be imposed by the concerned SPCB on the PIBOs not functioning in more than two states/UTs, plastic waste processors including recyclers and other processors –waste to oil/energy, w.r.t non-conformity with EPR targets underpinned under these guidelines.
- Minimum and Maximum Value of EC to be levied.
- Delay in the deposition of EC will attract Financial Penalty at an interest rate of 12% or 24% p.a.

PIBOs: EC under EPR Guidelines

PIBOs

Rule 9.1	Rule 10.6	Rule 12.4, 13.1 & 11.6	Rule 10.1	Rule 10.1 & 11.1	Rule 11.4
SHORTFALL IN EPR TARGET in following types <ol style="list-style-type: none"> 1. Recycling 2. End-of-life Recycling 3. Mandated Use of Recycled Plastic 4. Refuse of plastic (Cat I) 	ANNUAL RETURN not Filed (To be filled by June 30)	MISREPORTING in quantity of plastic packaging placed on market and use of recycled plastics	SUBMISSION OF FALSE INFORMATION	NON – COMPLIANCE of conditions stipulated in Certificate	DO NOT GET REGISTRATION ON THE CENTRALIZED PORTAL
1. EC to be levied <ol style="list-style-type: none"> i. Violation I – Rs. 5000/ton ii. Violation II – Rs. 1000/ton iii. Violation III – Rs. 20,000/ton 2. EC can be carried forward up to 3 years as per EPR Guidelines.	1. Notice will be issued for 5 days: <ol style="list-style-type: none"> i. Rs. 5000/- for next 5 days ii. Rs. 10,000/- for 2nd time default iii. Rs. 20,000/- for 3rd time default ii. Rs. 10,000/- for next 10 days <ol style="list-style-type: none"> i. Rs. 20,000/- for 2nd time default ii. Rs. 40,000/- for 3rd time default 	1. Increased EPR target and EC proportional to the Penalty up to Rs 1,00,000/- <ol style="list-style-type: none"> i. Violation I – 2x of application fees, ii. Violation II – 4x the application fees iii. Violation III – 8x the application fees 	1. Cancellation of Registration 2. EC of proportionate Penalty up to Rs. 1,00,000/- <ol style="list-style-type: none"> i. Violation I: 2x of application fee ii. Violation II: 4x of application fees iii. Violation III: 8x of application fees 	CANCELLATION OF REGISTRATION	EC to be levied <ol style="list-style-type: none"> i. Violation I – Rs. 5000/ton ii. Violation II – Rs. 10,000/ton iii. Violation III – Rs. 20,000/ton EC can be carried forward up to 3 years as per EPR guidelines

EC & Penal Action for Non-Compliance of PWM Rules

Producer				
Rule 4(c) & 4(j)	Rule 4(d)	Rule 4(f) & 4(i)	Rule 4(h)	Rule 11(1)
MANUFACTURING Carry bags not meeting specifications : <ul style="list-style-type: none"> Thickness > 75um from 30.09.2021 Thickness > 120um from 31.12.2022 Non-woven Plastic carry bags > 60 GSM 	MANUFACTURING sheets not meeting Thickness specifications > 50um	USING Plastic material for storing, packing or selling gutka , tobacco and pan masala Plastic packaging shall not be used in any form: <ul style="list-style-type: none"> Vinyl Acetate Maleic Acid Vinyl Chloride Copolymer 	PRODUCTION Of prohibited SUP items	SPECIFICATIONS NOT MET for Marketing & Labelling
Type of Compensation to be levied : (i) Seizure of manufacturing products & closure of unit (ii) EC for to be levied on quantity of plastic bags manufactured from the date of inception of the unit or date of notification of PWM Rules (March 18, 2016) whichever is later : <ol style="list-style-type: none"> Violation I: Rs. 5000/ton Violation II: Rs. 10,000/ton Violation III: Rs. 20,000/ton (iii) Penalty as per section 15(1) of EPA 1986		Type of Compensation to be levied: (i) Seizure of Products & Closure of Unit (ii) EC for to be levied for plastic used in packaging of tobacco products from the date of inception of the unit or date of notification of PWM Rules (March 18, 2016) whichever is later : <ol style="list-style-type: none"> Violation I: Rs. 5,000/ton Violation II: Rs. 10,000/ton Violation III: Rs. 20,000/ton (iii) Penalty as per section 15(1) of EPA 1986	1. EC to be levied on quantity of plastic SUP items produced from the date of inception of the unit or July 01, 2022 whichever is later . <ol style="list-style-type: none"> Violation I: Rs. 5000/ton Violation II: Rs. 10,000/ton Violation III: Rs. 20,000/ton 2. Revocation of Consent	1. Cancellation of EPR Certificates 2. Fine <ol style="list-style-type: none"> Violation I - Rs. 2000/- Violation II – Rs. 5000/- Violation III – Rs. 10,000/-

PIBOs: EC under EPR Guidelines

Brand Owners

Rule 9.1	Rule 10.6	Rule 12.4, 13.1 & 11.6	Rule 10.1	Rule 10.1 & 11.1	Rule 11.4	Rule 11(1)
SHORTFALL IN EPR TARGET in following types <ol style="list-style-type: none"> 1. Recycling 2. End-of-life Recycling 3. Mandated Use of Recycled Plastic 4. Refuse of plastic (Cat I) 	ANNUAL RETURN not Filed (To be filed by June 30)	MISREPORTING in quantity of plastic packaging placed on market and use of recycled plastics	SUBMISSION OF FALSE INFORMATION	NON-COMPLIANCE Of conditions stipulated in Certificate	DO NOT GET REGISTRATION ON THE CENTRALIZED PORTAL	SPECIFICATIONS NOT MET for Marking & Labelling
1. EC to be levied <ol style="list-style-type: none"> i. Violation I – Rs. 5000/ton ii. Violation II - Rs. 1000/ton iii. Violation III – Rs. 20,000/ton 2. EC can be carried forward up to 3 years as per EPR Guidelines	1. Notice will be issued for 5 days: 2. Rs.5000/- for next 5 days <ol style="list-style-type: none"> i. Rs. 10,000/- for 2nd time default ii. Rs. 20,000/- for 3rd time default 3. Rs.10,000/- for next 10 days <ol style="list-style-type: none"> i. Rs. 20,000/- for 2nd time default 	<ol style="list-style-type: none"> i. Increased EPR target and EC proportional to the Penalty up to Rs 1,00,000/- ii. Violation I – 2x of application fees , iii. Violation II – 4x the application fees iv. Violation III – 	<ol style="list-style-type: none"> 1. Cancellation of Registration 2. EC of proportionate Penalty up to Rs. 1,00,000/- <ol style="list-style-type: none"> i. Violation I: 2x of application fee ii. Violation II: 4x of application fees iii. Violation III: 8x of application fees 	CANCELLATION OF REGISTRATION	<ol style="list-style-type: none"> 1. EC to be levied <ol style="list-style-type: none"> i. Violation I – Rs. 5000/ton ii. Violation II-Rs. 10,000/ton iii. Violation III- Rs. 20,000/ton 1. EC can be carried forward up to 3 years as per EPR guidelines 	<ol style="list-style-type: none"> 1. Cancellation of EPR Certificates 2. Fine: <ol style="list-style-type: none"> i. Violation I - Rs. 2000/- ii. Violation II - Rs. 5000/- iii. Violation III - Rs. 10,000/-

	ii. Rs. 40,000/- for 3rd time default	8x the application fee				
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PWP: EC under EPR Guidelines

ANNUAL RETURN NOT FILED (To be filed by April 30)	MISREPORTING in quantity of plastic procured, EPR certificate generated	SUBMISSION OF FALSE INFORMATION	DO NOT GET REGISTERED On the centralized portal	NON - COMPLIANCE of conditions stipulated in Certificate	NON – COMPLIANCE of Environmental Norms
<p>Notice will be issued for 5 days</p> <p>i Thereafter Rs. 5000/- for next 5 days</p> <p>i. Violation II – Rs. 10,000/-</p> <p>ii. Violation III – Rs. 20,000/-</p> <p>ii. Rs. 10,000/- for next 10 days</p> <p>i. Violation II – Rs. 20,000/-</p> <p>ii. Violation III – Rs. 40,000/-</p> <p>Thereafter provision for certificate generation shall be discontinued</p>	<p>EC to be levied</p> <p>i. Violation I – Rs. 5000/ton</p> <p>ii. Violation II – Rs. 10,000/ton</p> <p>iii. Violation III – Rs. 20,000/ton</p>	<p>Cancellation of Registration</p> <p>i. EC of 2x of Application fees proportionate Penalty up to Rs. 1,00,000/-</p> <p>ii. Violation II: 4x of Application fee</p> <p>iii. Violation III: 8x of Application Fee</p>	<p>1. EC to be levied at Rs. 5,000/- per ton of plastic produced from the date of notification of PWM Rules (March 18, 2016) whichever is later</p> <p>2. Violation II – Rs. 10,000/ton</p> <p>3. Violation III – Rs. 20,000/ton</p>	<p>Cancellation of Registration</p>	<p>EC to be levied based on “Report of the CPCB in-house Committee on Methodology for Assessing Environmental Compensation and Action plan to Utilize the Fund”</p>

Annual Return

VIOLATION – ANNUAL RETURN not Filled (for PIBOs – June 30; for PWP's – April 30)

ACTION –

1. Notice will be issued for 5 days:
2. Rs. 5000/- for next 5 days
 - i. **Rs. 10,000/-** for 2nd time default
 - ii. **Rs. 20,000/-** for 3rd time default
3. Rs. 10,000/- for next 10 days
 - i. **Rs. 20,000/-** for 2nd time default
 - ii. **Rs. 40,000/-** for 3rd time default
4. Thereafter Annual Report to be Auto Filled on the EPR Portal and EC to be levied on shortfall , if any.

Date of Filling Returns	Year 1	Year 2	Year 3
30 – Jun - 23	Due Date	Due Date	Due Date
06 – Jul - 23	5,000/-	10,000/-	20,000/-
11 – Jul – 23	10,000/-	20,000/-	40,000/-
After 20 th July 2023	Auto Filled of report/ EC Levied	Auto Filled of report / EC Levied	Auto filled of report / EC Levied

Misreporting by PIBOs

VIOLATION : Misreporting in quantity of plastic packaging placed on market and use of recycled plastics

ACTION : Increased EPR target and EC proportional to the penalty up to Rs 1,00,000/-

- i. Violation I – 2x of application fees ,
- ii. Violation II – 4x the application fees
- iii. Violation III – 8x the application fees

Particulars	Case 1			Case 2		
	1 st Default	2 nd Default	3 rd Default	1 st Default	2 nd Default	3 rd Default
Registration Application Fees	50,000	50,000	50,000	20,000	20,000	20,000
Reported Quantity	10,000	10,000	10,000	5,000	5,000	5,000
Actual	15,000	15,000	15,000	9,000	9,000	9,000
Difference	5,000	5,000	5,000	4,000	4,000	4,000
Proportion	33%	33%	33%	0.44	0.44	0.44
Environment Compensation	33,333	66,667	1,33,333	17,778	35,556	71,111

DISCLAIMER:-

Please Check with the various Notification issued by CPCB and state PCB's regarding PWM rule and EPR compensation. SGM consultancy services are not liable and or responsible if complete notifications and guidelines related to PWM rule not followed.

This content is for informative purpose only.