



F.No. CP-20/80/2021-UPC-II-HO-CPCB-HO Part(1)

26.10.2023

To,

The Chairman

Maharashtra Pollution Control Board,
Kalpataru Point, 3rd and 4th floor,
Opp. PVR Theatre, Sion (E),
Mumbai - 400 022

Sub: Directions under Section 5 of the EPA, 1986 regarding compliance of various provisions under Schedule – II of Plastic Waste Management Rules, 2016, i.e., Guidelines on Extended Producer Responsibility (EPR)

WHEREAS, the Ministry of Environment, Forest & Climate Change (MoEF&CC) has notified Plastic Waste Management Rules, 2016, in exercise of the powers conferred under sections 3, 6 & 25 of the Environment (Protection) Act, 1986 vide Notification No. G.S.R 320 (E) dated March 18, 2016; and

WHEREAS, Plastic Waste Management Rules, 2016 was amended and notified by Ministry of Environment, Forest & Climate Change (MoEF&CC) on 16 February, 2022 to insert Schedule – II, i.e., Guidelines on Extended Producer Responsibility for Plastic Packaging (hereinafter referred as “EPR Guidelines”); and

WHEREAS, as per Section 6.1(a) of the EPR Guidelines, “*The following entities shall register on the centralized portal developed by Central Pollution Control Board namely: - (i) Producer (P); (ii) Importer (I); (iii) Brand owner (BO), (iv) Plastic Waste Processor engaged in (a) recycling, (b) waste to energy, (c) waste to oil, and (iv) industrial composting; and*

WHEREAS, as per Section 11.1 of the EPR Guidelines, “*All plastic waste processors shall have to register with concerned State Pollution Control Board or Pollution Control Committee in accordance with provisions of 13(3) of Plastic Waste Management Rules, 2016 on the centralized portal developed by Central Pollution Control Board. Central Pollution Control Board shall lay down uniform procedure for registration within three months of the publication of these guidelines” and*

WHEREAS, CPCB developed the Standard Operating Procedure (SOP) for registration of PWP on March 15, 2023 and uploaded the same on CPCB website in accordance with EPR guidelines; and

WHEREAS, as per Section 11.2 of EPR Guidelines, “*The Plastic waste processors shall submit annual returns after end of every financial year by 30th April of the next financial year on the quantity of plastic waste processed category-wise as per prescribed pro forma on the centralized portal developed by Central Pollution Control Board; and.*

WHEREAS, as per Section 11.5 of the EPR Guidelines, “*Only plastic waste processors registered under Plastic Waste Management Rules, 2016, as amended, shall provide certificates for plastic waste processing, except in case of use of plastic waste in road*

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construction. In case where plastic waste is used in road construction the Producers, Importers & Brand-Owners shall provide a self-declaration certificate in pro forma developed by Central Pollution Control Board. The certificate provided by only registered plastic waste processors shall be considered for fulfilment of Extended Producer Responsibility obligations by Producers, Importers & Brand-Owners; and

WHEREAS, as per Section 11.7 of the EPR Guidelines, "*The certificate for plastic packaging waste provided by registered plastic waste processors shall be in the name of registered Producers, Importers & Brand-Owners or Local authorities, as applicable, based upon agreed modalities. Central Pollution Control Board will develop mechanism for issuance of such certificate on the centralized portal*"; and

WHEREAS, as per the EPR Guidelines, CPCB has developed the Centralized portal for registration of Producers, Importers and Brand-owners (PIBOs) & Plastic Waste Processors (PWPs) that has been formally launched on April 05, 2022; and

WHEREAS, CPCB has developed the mechanism for Generation & Transfer of EPR Certificates by PWPs (as given in the Guidance Manual developed by CPCB) on the EPR Portal and the corresponding online module of the EPR Portal was launched on November 19, 2022; and

WHEREAS, Registration of PWPs by SPCBs/PCCs is on the basis of information provided online by PWPs on the EPR Portal which includes details of plant and machinery (processing capacity, production capacity, power rating, etc.), geotagged photograph of the plant & machinery, raw material, production and sales section of the Units, short video of the Unit etc.; and

WHEREAS, as per clause 4(iv) of SOP "*Physical Audit of the PWP to be completed by SPCB/PCC within 30 days of grant of Registration. The PWP shall be able to issue certificates to PIBOs post conduction of Audit and validation of its facilities by the SPCB/PCC*"; and

WHEREAS, in accordance with aforesaid clause of SOP, upon grant of registration to PWP, SPCB/PCC are required to physically verify details of plant and machinery (processing capacity, production capacity, power rating etc.), geotagged photograph of the plant & machinery, raw material, production and sales section of the Units, short video of the Unit etc. as per the checklist provided on EPR portal for the purpose; and

WHEREAS, CPCB has developed the Guidance manual for operating Centralized EPR Portal which includes details of procedure for Registration of PIBOs/PWPs, Generation & Transfer of EPR certificates etc., which was made available on EPR portal. Several training sessions/meetings were also conducted with SPCBs/PCCs/Industrial Associations/PWPs and other stakeholders in which inspection requirements/procedures for grant of approval of physical verification of PWPs to be followed by SPCBs/PCCs were covered. SPCBs/PCCs were required to upload approval status of Physical verification of PWPs on the EPR portal following these procedures; and

WHEREAS, CPCB vide directions dated 10.03.2023 and 04.07.2023 reiterated that all SPCBs/PCCs to complete physical verification of all registered PWPs in their jurisdiction within the stipulated time frame to enable the PWPs to generate EPR certificates within the timelines stipulated in EPR guidelines; and

WHEREAS, CPCB vide directions dated 21.12.2022 had directed all PWP to upload GST E-invoice of all transactions (sales/ purchase) related to processing of plastic packaging & plastic waste on the EPR Portal; and

WHEREAS, viewing rights of the PWP dashboard have been provided to the officials of SPCBs/PCCs to monitor the PWP operations including procurement, production, sale and Certificate generation & transfer by PWP Units registered in their jurisdiction and the same was communicated during the training sessions for SPCBs/PCCs conducted by CPCB for the purpose; and

WHEREAS, Section 12.4 of the EPR Guidelines provides that "*Central Pollution Control Board by itself or through a designated agency shall verify compliance of Producers, Importers & Brand-Owners through inspection and periodic audit, as deemed appropriate. Central Pollution Control Board, as required, can also verify compliance of Plastic Waste Processors through inspection and periodic audit. In case of plastic waste processors and Producers, Importers & Brand-Owners operating in a State or Union Territory, Central Pollution Control Board may, if required, direct State Pollution Control Board or Pollution Control Committee to take action*"; and

WHEREAS, random sample audit of (i) M/s Shakti Plastics Industries, Palghar, Maharashtra, and (ii) Technova Recycling India Pvt. Ltd, Thane, Maharashtra (plastic waste recyclers); was conducted by CPCB on August 31, 2023 and September 01, 2023 respectively in accordance with Clause 12.4 of the EPR Guidelines; and

WHEREAS, M/s Technova Recycling India Pvt. Ltd, Thane, Maharashtra, was registered with Maharashtra Pollution Control Board (MPCB) on 20.6.2023 followed by physical verification of the Unit and uploading approval thereto by MPCB on 07.07.2023 and M/s Shakti Plastics Industries, Palghar, Maharashtra, was registered on 21.7.23 followed by physical verification of the Unit and uploading approval thereto by MPCB on 17.8.23 on the EPR portal; and

WHEREAS the following observations were made by the CPCB officials during the aforesaid audit:

i. **M/s Shakti Plastics Industries, Palghar, Maharashtra**

- a. The plastic waste processing capacity of the Unit is 2,88,000 (Tonne per annum) TPA, as registered by Maharashtra Pollution Control Board (MPCB) and CTE/CTO issued. The plant processing capacity as per the plant machinery and process flow diagram given in the application form is 17,760 TPA. The audit team found plant machinery corresponding to 17,760 TPA installed and commissioned in the Unit. The plant machinery corresponding to the registered capacity of 2,88,000 TPA was neither declared on the EPR portal nor found to be installed and commissioned in the Unit by the Audit team.
- b. The Unit has generated EPR Certificates of the order of 2,74,000 Tonnes and transferred EPR Certificates of 2,68,000 Tonnes values to Producers/Importers/Brand Owners (PIBOs). Quantities mentioned in the invoices uploaded on EPR Portal by the Unit are fallacious & very high as compared to the declared production capacity since the plant operations had not yet commenced. As per the information on the EPR Portal, invoices were randomly verified and it has been observed that all verified invoices have been

- generated for Services provided towards collection and recycling and not for the requisite actual sales of recycled plastic.
- c. No relevant information as stated below were made available to verify processing of 2,15,000 Tonnes of plastic waste and sale of corresponding quantity of finished product, by the Unit to the audit team:
 - i. Procurement of Plastic waste (Procurement invoices, Supplier details, etc.)
 - ii. Electricity consumption (Electricity bill)
 - iii. Procurement of additives required for processing plastic waste
 - iv. Sale of recycled plastic (GST Statement, Sales invoices, etc.)
 - d. Only 40 workers were available in the Unit as against 125 reported in the application form.

In view of the above, it is observed that EPR Certificates of the value of 2,56,240 tonnes have been generated by the Unit in excess of its actual processing capacity (17760 TPA) and the Unit neither has processing capacity for the said quantity nor relevant prescribed supporting documents/information for the same. The Unit has obtained registration and generated the said EPR certificates of 2,56,240 Tonnes without any actual processing of plastic waste at the Unit and by submitting false documents/information, which is in gross violation of provisions of EPR Guidelines notified as Schedule II of PWM Rules by MoEFCC and CPCB's. Guidance manual for operating Centralized EPR Portal and other directions/communications issued by CPCB from time to time in this regard. The process of generation of EPR Certificates by the Unit was also not monitored by MPCB, despite being the prescribed authority for enforcement as notified under the PWM Rules and having provision of viewing the PWP dashboard on the EPR portal.

ii. **Technova Recycling India Pvt. Ltd, Thane Maharashtra**

- a. The plastic waste processing capacity of the Unit is 97200 Tonnes Per Annum, as registered by MPCB and CTO/CTE issued. The audit team found plant machinery corresponding to 4700 TPA (Cat I 2000 TPA and Cat II/III: 2700 TPA (considering the plant is operated for 24 hrs for 300 days) instead of 97200 TPA as per the trial run conducted by the Unit during which the plant was run at full capacity. Further the processing capacity of Grinder was found to be 400 TPA as against the reported value of 18500 TPA in the application. Also the processing capacity of agglomerator was found to be 2700 TPA as against 60000 TPA reported in the application. The plant machinery corresponding to the registered capacity 97200TPA was not found to be installed and commissioned in the Unit by the Audit team.
- b. The Unit has generated EPR Certificates of the order of 97200 Tonnes and transferred EPR Certificates of 95200 tonnes value to Producer/Importer/Brand Owners. Quantities mentioned in the invoices uploaded on EPR Portal by the Unit are fallacious & very high as compared to the declared production capacity since the plant operations had not yet commenced. As per the information on the EPR Portal, invoices were randomly verified and it has been observed that such verified invoices have been generated for actual sales of plastic for only 82 Tonnes and the balance quantity has been generated for Services provided towards collection and recycling and not for the requisite actual sales of recycled plastic.
- c. No relevant information as stated below were made available to verify processing of 97200 Tonnes of plastic waste and sale of corresponding quantity of finished product, by the Unit to the audit team:

- i. Procurement of Plastic waste (Procurement invoices, Supplier details, etc.)
 - ii. Electricity consumption (Electricity bill)
 - iii. Procurement of additives required for processing plastic waste
 - iv. Sale of recycled plastic (GST Statement, Sales invoices, etc.)
- d. Only 6 workers were available in the Unit as against 30 reported in the application form.
- e. Also, the plant area was found to be 270 sqm as against the 1226 Sqm area reported in the application. Also, The GPS location of the Facility, as submitted in the EPR Portal, was found inaccurate. The actual GPS co-ordinates of the Facility are: Latitude-19.288865 (19°17'19.9"N) Longitude-73.097299 (73°05'50.3"E). The distance between the GPS location as submitted by the facility in the EPR Portal and the actual GPS location of the facility is about 2.2 kms.
- f. The facility has provided 3 godowns (each with an area of about 90 m²). The plant machinery, raw material and finished products are placed in these godowns. The total raw material storage area provided by the facility, which is about 170 m² area, is observed to be inadequate considering the raw material required for the production of recycled products of 97,200 MTA as per the Registration granted by Maharashtra SPCB.
- g. The Unit has not installed Extruder to produce plastic pellets/granules (products). The facility produces semi-finished products of Grindings & Agglomerates (plastics chips), in its Agglomerator & Grinders. However, MPCB has granted consent to the Unit for production of 86400 TPA pellets/grinding/ agglomerates.

In view of the above, it is observed that EPR Certificates of the value of 92500 T have been generated by the Unit in excess of its actual processing capacity (4700 TPA) and the Unit neither has processing capacity for the said quantity nor relevant prescribed supporting documents/information for the same. The Unit has obtained registration and generated the said EPR certificates of 92500 Tonnes without any actual processing of plastic waste at the Unit and by submitting false documents/information, which is in gross violation of provisions of EPR Guidelines as notified under Schedule II of the PWM Rules by MoEFCC, CPCB's Guidance manual for operating Centralized EPR Portal and other directions/communications issued by CPCB from time to time in this regards. The process of generation of EPR Certificates by the Unit was also not monitored by MPCB, despite being the enforcing agency notified under the PWM Rules and having provision of viewing the PWP dashboard on the EPR portal.

WHEREAS, as per Section 11.4 of the EPR Guidelines "*In case, at any stage it is found that the information provided by the plastic waste processor is false, the plastic waste processor shall be debarred by State Pollution Control Board, as per procedure laid down by Central Pollution Control Board, from operating under the Extended Producer Responsibility framework for a period of one year*"; and

WHEREAS, as per Section 11.6 of the EPR Guidelines "*The pro forma for the certificate shall be developed by Central Pollution Control Board. In no case, the amount of plastic packaging waste recycled by the enterprise shall be more than installed capacity of the enterprise. The certificates will be for plastic packaging category-wise and shall include GST data of the enterprise*"; and

WHEREAS, as per Section 13.1 of the EPR Guidelines "*The concerned State Pollution Control Board or Pollution Control Committee shall register Producers, Importers & Brand-Owners (operating in one or two states) and plastic waste processors, through the online portal developed by Central Pollution Control Board. Provision for registration shall be made on the Extended Producer Responsibility portal. State Pollution Control Board or Pollution Control Committee by itself or through a designated agency shall verify compliance of Producers, Importers & Brand-Owners through inspection and periodic audit, as deemed appropriate, of Producers, Importers & Brand-Owners as well as plastic waste processors in their jurisdiction as per the Plastic Waste Management Rule, 2016*"; and

WHEREAS, as per Rule 18 of PWM Rules "*The Environmental Compensation shall be levied based upon polluter pays principle, on persons who are not complying with the provisions of these rules, as per guidelines notified by the Central Pollution Control Board*"; and

WHEREAS, as per the EC Regime framed by CPCB in 2022, Environmental Compensation is to be levied on PWP @ Rs. 5000/- per ton of plastic waste misreported for quantity of plastic procured and EPR certificate generated after following due legal procedure"; and

NOW, THEREFORE, in view of above and in exercise of the powers vested to Chairman, Central Pollution Control Board (CPCB) vide Notification No. S.O.730 (E) dated July 10, 2002 notified as per provisions of Section 5 of the Environment (Protection) Act, 1986, following directions are issued for compliance:

1. To conduct detailed enquiry as to how physical verification of the units namely M/s The Shakti Plastics Industries and M/s. Technova Recycling India Pvt. Ltd (Reg No. PR-20-MAH-06-AAHCT3188J-23) was approved by MSPCB on the EPR portal, in view of the gross violations observed by the Audit team, as above, and also as to why the process of generation of EPR Certificates was not monitored by MSPCB.
2. To fix the liability on erring official/s and take disciplinary action against erring officials, if any, as per the findings of the enquiry set up, as at (1) above.
3. To immediately take the following actions against the afore-mentioned PWP Units namely M/s The Shakti Plastics Industries (Reg No. PR-31-MAH-07-AAMFS7839M-23) and M/s. Technova Recycling India Pvt. Ltd (Reg No. PR-20-MAH-06-AAHCT3188J-23)
 - i. To suspend the consent/authorization/registration issued to the Units with immediate effect and issue show cause notice for debarring the Unit from operating under the Extended Producer Responsibility framework for a period of one year as per Clause 11.4 of the EPR Guidelines or/ and for the revocation of the consent/authorization/registration issued to the Unit;
 - ii. To levy Environmental Compensation (EC), corresponding to the quantum of EPR certificates generated not in conformity with requirement prescribed in CPCB Guidance manual for operating Centralized EPR Portal. The EC is to be levied as per "Guidelines for Assessment of Environmental Compensation to be levied for violation of PWP Rules"

https://cpcb.nic.in/uploads/plasticwaste/EC_Regime_PWM.pdf

and Unit be directed to deposit the same in the designated Escrow Account, created by the MPCB for the purpose.

- iii. To take necessary action against every Unit as per applicable law as the Units have submitted false documents for obtaining registration as well as for generating EPR certificates. It may further be ensured that action taken by MPCB regarding these units should act as a deterrent for other Units in committing such violations.
4. To take immediate necessary actions to improve upon the system of grant of registration within MSPCB, monitoring and enforcement thereto ensuring compliance of the Plastic Waste Management Rules, EPR guidelines and directions/guidelines issued by CPCB, including the following:
 - i. Inspection of all processing facilities of Registered PWPs in your jurisdiction within a fortnight from the issue of these Directions and to confirm that the Processing capacity as per the Registration granted to units is in conformity with the actual facilities provided in each Unit. All other information provided in the online application form are also to be revalidated by MPCB.
 - ii. Regular monitoring of EPR Certificate generation process of the Registered PWPs to ensure that EPR Certificates generated by PWPs are in accordance with requirements prescribed in the CPCB guidance manual including uploading of GST E-invoice corresponding to the sales of finished products on the EPR Portal.
 5. To take all necessary steps to ensure that every Unit henceforth complies with all conditions including generating GST E-invoice for all sales of finished products and uploads the same on the EPR Portal, failing which necessary action be immediately taken including levying of EC against each non-complying Unit.

You are, hereby, directed to take necessary action immediately for ensuring compliance of the aforesaid directions and submit action taken report to this office within 10 days from the date of issuance of this direction.


(Tanmay Kumar)
Chairman 