



केन्द्रीय प्रदूषण नियंत्रण बोर्ड  
CENTRAL POLLUTION CONTROL BOARD  
पर्यावरण, वन एवं जलवायु परिवर्तन मंत्रालय भारत सरकार  
MINISTRY OF ENVIRONMENT FOREST & CLIMATE CHANGE GOVT OF INDIA

F.No.CP-20/51/2021-UPC-II-HO-CPCB-HO

18 December, 2023

To,

**M/s. VST Industries**  
**P. O. Box No. 1804**  
**Azamabad, Hyderabad**  
**Telangana- 500020**

**Sub: - Show Cause Notice Under Section 5 of The Environment (Protection) Act, 1986 for Non-Compliance of Plastic Waste Management Rules, 2016**

**WHEREAS**, in exercise of Powers under Section 6, 8 and 25 of the Environment (Protection) Act, 1986, Ministry of Environment, Forest & Climate Change (MoEF&CC) has notified Plastic Waste Management (PWM) Rules vide Notification no. G.S.R 320(E) dated March 18, 2016; and

**WHEREAS**, CPCB had issued the following directions vide letter dated October 22, 2020 under Sec 5 of Environment (Protection) Act, 1986 for enforcement of provisions of Plastic Waste Management (PWM) Rules for storing, packing or selling cigarette and tobacco in all forms:

- i. Why action including levying Environmental Compensation and / or closure of cigarette manufacturing operations should not be taken against the Unit for violation of PWM Rules; and

**WHEREAS**, vide representation dated 16/12/2020 M/s VST Industries, had claimed that plastic packaging of Cigarettes was not covered in clause 4 (f) and (i) of PWM Rules, 2016; and

**WHEREAS**, representation submitted by M/s VST Industries, was examined by CPCB and it was observed that as per PWM Rules 4(f) and 4(i) usage of Plastic in any form is prohibited for packaging of tobacco in any form, which includes Cigarettes; and

**WHEREAS**, CPCB had issued the following proposed directions vide letter dated February 03, 2021 under Sec 5 of Environment (Protection) Act, 1986 for enforcement of provisions of Plastic Waste Management (PWM) Rules for storing, packing or selling cigarette and tobacco in all forms:

- a. The Unit shall pay Rs. 5,00,00,000/- (Five Crores Rupees Only) as Interim Environmental Compensation charges to CPCB for violation of PWM Rules.
- b. Unit shall submit a time bound action plan within 30 days to shift to environmental friendly alternatives for packaging of cigarettes; and

‘परिवेश भवन’ पर्वी अर्जुन नगर, दिल्ली-110032

Parivesh Bhawan, East Arjun Nagar, Delhi-110032

दूरभाष/Tel : 43102030, 22305792, वेबसाइट/Website : www.cpcb.nic.in

**WHEREAS**, vide representation dated 23.02.2021 M/s VST Industries requested for extension in submission of action taken report due to pandemic and also requested for personal hearing; and

**WHEREAS**, Personal hearing of your Unit was scheduled on 14.07.2021 and due to paucity of time, hearing was not conducted; and

**WHEREAS**, MoEF&CC issued Notification, dated August 12, 2021 which mandated banning of identified Single Use Plastic (SUP) items and prescribed minimum thickness of carry bag with effect from July 01, 2022; and

**WHEREAS**, as per Rule 4(2) of PWM Rules, 2016 (as amended), *"The manufacture, import, stocking, distribution, sale and use of following single use plastic (SUP), including polystyrene and expanded polystyrene, commodities shall be prohibited with effect from the 1<sup>st</sup> July, 2022:*

*(a) ear buds with plastic sticks, plastic sticks for balloons, plastic flags, candy sticks, ice-cream sticks, polystyrene [Thermocol] for decoration.*

*(b) Plates, cups, glasses, cutlery such as forks, spoons, knives, straw, trays, wrapping or packing films around sweet boxes, invitation cards, and cigarette packets, plastic or PVC banners less than 100 micron, stirrers; and*

**WHEREAS**, the Hearing of the Cigarette Companies could not be rescheduled due to the aforementioned Notification issued by MoEF&CC; 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 provision 9.2 of Schedule-II notified through Amendments to PWM Rules dated February 16, 2022 "Central Pollution Control Board shall lay down guidelines for imposition and collection of environment compensation (EC) on Producers, Importers & Brand-Owners, recyclers and end of life processors, in case of non-fulfilment of obligations set out in these guidelines, and the same shall be notified. The Guidelines for Environmental Compensation shall be updated, as required; and

**WHEREAS**, as per the EC Regime updated by CPCB in September 2022, Environmental Compensation is to be levied @ Rs. 5000/- per ton of use/ sale of banned Single Use Plastic items; and

**WHEREAS**, CPCB vide letter dated 22.09.2022 directed your industry to provide the status of compliance of the Directions dated February 03, 2021 issued to your Unit as well as the Amendment to PWM rules dated August 12, 2021 banning the SUP items including plastic packaging of cigarette packets; and

**WHEREAS**, CPCB vide letter dated 19.04.2023 issued show cause notice to your Unit as to why action including levying Environmental Compensation and / or closure of cigarette manufacturing operations should not be taken against your Unit for non-compliance of PWM Rules 2016 (as amended); and

**WHEREAS**, vide letter dated 29.9.22 & 04.05.2023 Unit has informed that it has stopped using plastic for wrapping of cigarette packages and shifted to biodegradable plastics; and

**WHEREAS**, as per provision 4(h) and 10(3) of PWM Rules, 2016 (amendment dated July 6, 2022) CPCB is to certify Manufacturers and Seller of biodegradable plastics conforming to the tentative Indian Standard IS 17899 T:2022 notified by the Bureau of Indian Standards; and

**WHEREAS**, CPCB has not certified any manufacturer or seller of biodegradable plastics till date and hence claims made by the Unit that it is using biodegradable plastic for packaging of Cigarettes vide letter dated 29.9.22 & 04.05.2023 is not valid; and

**WHEREAS**, continual usage of such plastic films, which have been claimed to be biodegradable, by your Unit for packaging of cigarette is in violation of PWM Rules.

**NOW, THEREFORE**, in view of above and in exercise of the powers vested to Chairman, Central Pollution Control Board (CPCB) under Section 5 of the Environment (Protection) Act, 1986, Show Cause Notice is hereby issued to **M/s. VST Industries** as to why action including levying Environmental Compensation and / or closure of cigarette manufacturing operations should not be taken against the Unit for non-compliance of PWM Rules.

You are hereby given an opportunity to comply with above stated direction and submit the Compliance report within 15 days of issue of this notice, failing which CPCB shall be constrained to take action as deemed fit under Section 5 of EPA.

15/12/23  
(Tanmay Kumar) *T.K.*  
Chairman

Copy to:

1. **The Additional Secretary (CP Division)**  
**Ministry of Environment, Forests & Climate Change**  
Indira Paryavaran Bhawan,  
Jor Bagh Road,  
New Delhi – 110003
2. **Incharge, IT Division**

*B.S.*  
(Bharat Kumar Sharma)  
Member Secretary

o/c