November 8, 2026

MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

Environmental compensation under EPR rules, and section 15 penalties

Environmental compensation under India's extended producer responsibility (EPR) rules and a penalty under the Environment (Protection) Act are two different charges. The Central Pollution Control Board (CPCB) charges compensation for a missed target, false certificates or working without registration, and the unmet target still carries forward. An adjudicating officer sets a section 15 penalty after a hearing.

ENVIRONMENTAL compensation is a charge CPCB or a state board levies under the EPR rules, on the polluter pays principle. It covers a missed EPR target, a false certificate and, in most regimes, working without registration. A section 15 penalty is a separate charge, which an adjudicating officer imposes under the Environment (Protection) Act.

KEY FACTS

LAW

Environment (Protection) Act, 1986

PLASTIC EPR

Plastic Waste Management (Amendment) Rules, 2022

E-WASTE EPR

E-Waste (Management) Rules, 2022

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What is environmental compensation under the EPR rules?

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The rules don't print the amounts. CPCB sets them in guidelines for each regime. For plastic packaging, CPCB levies it on companies working in more than two states and the state board on the rest (Schedule II, paragraphs 9.3 and 9.4, G.S.R. 133(E)).

CPCB's environmental compensation guidelines, by regime

Regime	Rule	Guidelines
Plastic packaging	Schedule II, paragraph 9 (G.S.R. 133(E))	Updated August 2024 (CPCB, March 2026)
E-waste	Rule 22 (G.S.R. 801(E))	Approved September 9, 2024
Batteries	Rule 13 (S.O. 3984(E))	Approved September 9, 2024
Waste tires	Schedule IX, paragraph 10 (G.S.R. 593(E))	September 3, 2024 (CPCB, March 2026)
Used oil	Rule 39 (G.S.R. 677(E))	Finalized March 18, 2026

Compensation also sets the EPR certificate price band in the plastic, e-waste, battery, tire and used oil rules. CPCB fixes the highest price at 100% of it and the lowest at 30%. Our guide to MoEFCC rules for companies sets out each EPR regime and its targets.

- Plastic: Schedule II, paragraph 8.8 (G.S.R. 201(E))
- E-waste: rule 15(9) (G.S.R. 164(E))
- Batteries: rule 10(17) (tracker entry)
- Used oil and tires: rule 29(8) and Schedule IX, paragraph 6(8) (G.S.R. 177(E))

Does paying environmental compensation clear an unmet EPR target?

Paying environmental compensation doesn't clear an unmet EPR target. The unmet part carries forward to the next year, for up to three years (Schedule II, paragraph 9.5, for plastic packaging). Make up the shortfall within that time and part of the compensation comes back. The share falls each year, and after three years nothing comes back.

Share of environmental compensation returned when the shortfall is made up

Regime and rule	Made up in year 1	Year 2	Year 3
Plastic packaging (paragraph 9.5), batteries (rule 13(6)) and end-of-life vehicles (rule 15(4))	75%	60%	40%
E-waste (rule 22(4)), waste tires (paragraph 10(4)), used oil (rule 39(4)) and non-ferrous metal scrap (rule 60(5))	85%	60%	30%

Targets are on plastic packaging EPR and e-waste EPR.

What happens if you sell without EPR registration?

The plastic, e-waste, tire and used oil rules bar business without registration on CPCB's portal, and registered companies may not deal with you (Schedule II, paragraphs 6.2 and 6.3, for plastic). The battery, e-waste, tire and used oil rules also charge environmental compensation for working unregistered (battery rule 13(1), e-waste rule 22(3)).

In a show cause notice of January 15, 2024, CPCB asked producers, importers and brand owners (PIBOs) still selling without registration why it shouldn't close their operations, levy compensation and carry their targets forward. They had ten days to reply. See EPR registration in India.

What penalty applies under section 15 of the Environment (Protection) Act?

Under section 15, as the Jan Vishwas Act, 2023 rewrote it, breaking the Act, its rules, orders or directions costs ₹10,000 to ₹15 lakh where no other penalty applies. A company that breaks the Act faces ₹1 lakh to ₹15 lakh under section 15A. A breach that goes on adds an amount for every day.

Penalties in the Environment (Protection) Act, 1986, as the Jan Vishwas Act, 2023 substituted them

Who	Penalty for each breach	Continuing breach	In the Act
Any person, where no other penalty applies	₹10,000 to ₹15 lakh	₹10,000 a day	Section 15
A company	₹1 lakh to ₹15 lakh	₹1 lakh a day	Section 15A

The plastic, e-waste, battery, tire and used oil rules now point to section 15, through amendments of November 2024 to January 2025:

- E-waste: rule 23 (G.S.R. 699(E); tracker entry)
- Used oil and the other hazardous waste rules: rule 40, and tires: Schedule IX, paragraph 11 (G.S.R. 698(E); tracker entry)
- Batteries: rule 13(9) (S.O. 5210(E))
- Plastic: rule 19 (G.S.R. 73(E))

The non-ferrous metal scrap rules, in force since April 1, 2026, do the same (rule 61, G.S.R. 438(E)).

Older guides say breaking the rules means prison. Under the Jan Vishwas Act, 2023, prison applies only to a penalty left unpaid for ninety days (section 15F). These sections took effect on April 1, 2024 (G.S.R. 749(E) of October 17, 2023). The Jan Vishwas Act also raises each minimum penalty by 10% after every three years from its commencement (section 3).

A registration can also be revoked after a hearing for false or concealed information. It's one year in plastic (paragraph 6.4). CPCB may revoke for up to three years in e-waste and tires (rule 4(5), paragraph 3(4)) and up to five in used oil (rule 26(5)).

Who sets a section 15 penalty, and how?

An adjudicating officer sets it. The central government may appoint officers of at least Joint Secretary rank, or a State Secretary, to hold an inquiry (section 15C). The officer may call for records, must hear you, and weighs the area and people affected, how vulnerable they are, how often and how long, the harm done and any undue gain.

The penalty comes on top of any relief or compensation the National Green Tribunal orders (section 15C(5)).

Where does a section 15 appeal go, and when must you pay?

An appeal goes to the National Green Tribunal within sixty days of receiving the adjudicating officer's order (section 15D). The Tribunal hears it only after you deposit 10% of the penalty. A penalty not paid within ninety days becomes an offense under section 15F, with prison, a fine or both.

- Not paying: prison up to three years, a fine up to twice the penalty, or both (section 15F). For a company, the people in charge are liable too.
- Penalties go to the Environmental Protection Fund, and 75% passes to the states and Union territories (sections 15E and 16(5)).
- An appeal against CPCB suspending or cancelling an e-waste registration goes to the Ministry of Environment, Forest and Climate Change (MoEFCC) within thirty days (rule 21).

What does a CPCB show cause notice under section 5 mean?

Section 5 of the Environment (Protection) Act lets the government give written directions that must be obeyed, up to closing an operation. CPCB uses it for EPR. In March 2026 it sent show cause notices to plastic PIBOs and tire producers that missed their 2022-23 targets, asking why compensation shouldn't be levied.

The plastic notice of March 11, 2026 and the tire notice of March 23, 2026 give fifteen days to reply. The plastic one wants compliance for the shortfall with the reply, or CPCB levies the amount it lists.

Missed returns cost too. The plastic notice records that CPCB auto-filed missing returns and raised those PIBOs' 2024-25 targets by 25% as a penalty. CPCB's notice of March 20, 2026 said a late plastic return "may attract Environmental Compensation". For tires, see waste tire and used oil EPR.

Can an environment auditor work out your compensation?

A registered environment auditor computes environmental compensation where the competent authority requires it, and reports violations, under rule 3 of the Environment Audit Rules, 2025 (S.O. 3973(E)). CPCB or a state board may assign auditors to EPR audits, and the 2026 plastic amendment adds them to EPR verification.

The plastic change is rule 17(5) and Schedule II, paragraph 12.4 (G.S.R. 237(E)). The audit rules are in the Gazette.

How IndusDesk helps with environmental compensation and EPR notices

We check your targets, certificates and returns against each regime's rules, prepare overdue returns and registration applications, and draft replies to show cause notices for you to file. We don't appear before the National Green Tribunal or an adjudicating officer, don't buy, sell or broker EPR certificates, and can't promise lower compensation or any outcome.

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Frequently asked questions

How much environmental compensation does CPCB charge for an EPR shortfall?

It depends on the regime and product category. CPCB's guidelines set the rates, and its show cause notices list each unit's amount. The rules print no figure.

How long do you get to answer a CPCB show cause notice on EPR?

The March 2026 notices gave fifteen days. The January 2024 notice to unregistered plastic PIBOs gave ten.

Can you keep selling while your EPR application is pending?

Only once you're registered or deemed registered: the plastic, e-waste, tire and used oil rules bar business without registration. A complete plastic application counts as granted after thirty days without a decision (rule 13(8)), and a battery one if CPCB doesn't refuse it within two weeks (rule 11(3)). CPCB's January 2024 notice treated selling after an application was not approved as a breach.

Do you get environmental compensation back if you meet the target later?

Partly, if you meet it within three years. After that, nothing comes back.

Sources

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- G.S.R. 749(E), October 17, 2023: Jan Vishwas (Amendment of Provisions) Act, 2023, serial 24 (the Environment (Protection) Act, 1986) in force from April 1, 2024 (MoEFCC)
- The Environment (Protection) Act, 1986 (Act No. 29 of 1986), section 5, MoEFCC copy of the Act as enacted
- G.S.R. 133(E), February 16, 2022: Plastic Waste Management (Amendment) Rules, 2022, Schedule II, paragraphs 6.2, 6.4 and 9 (PDF, 1.7 MB)
- G.S.R. 522(E), July 6, 2022: Plastic Waste Management (Second Amendment) Rules, 2022, rule 18 (PDF, 1.4 MB)
- G.S.R. 807(E), October 30, 2023: Plastic Waste Management (Second Amendment) Rules, 2023, Schedule II, paragraph 6.3 (PDF, 1.1 MB)
- G.S.R. 73(E), January 23, 2025: Plastic Waste Management (Amendment) Rules, 2025, rule 19 (PDF, 1.7 MB)
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- G.S.R. 677(E), September 18, 2023: Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2023, rules 26 and 39 (PDF, 1.3 MB)
- G.S.R. 698(E), November 12, 2024: Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2024, rule 40 and Schedule IX, paragraph 11 (PDF, 2.1 MB)
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- CPCB show cause notice F. No. CP-20/80/2021-UPC-II-HO-CPCB-HO-Part(2), March 11, 2026: plastic PIBOs, EPR obligations for 2022-23
- CPCB show cause notice CP-20/28/2023-UPC-II-HO-CPCB-HO-Part(1), January 15, 2024: PIBOs working without EPR registration
- CPCB show cause notice F.No. CP-21/30/2025-WM-III-HO-CPCB-HO, March 23, 2026: waste tire producers, EPR obligations for 2022-23
- CPCB show cause notice F.No. CP-21/30/2025-WM-III-HO-CPCB-HO, March 23, 2026: waste tire producers, annual returns for 2022-23 to 2024-25
- CPCB notice CP-20/28/2023-UPC-II-HO-CPCB-HO-Part(1), March 20, 2026: plastic annual returns for 2024-25 extended to March 31, 2026
- CPCB notice File No. CP-22/31/2024-WM-III-HO-CPCB-HO, September 9, 2024: Environmental Compensation Guidelines under the E-Waste (Management) Rules, 2022
- CPCB notice, September 2024: Guidelines for imposition of Environment Compensation under the Battery Waste Management Rules, 2022
- CPCB notice F. No. CP-21/29/2025-WM-II-HO-CPCB-HO, March 18, 2026: Guidelines for Imposition of Environmental Compensation for used oil
- G.S.R. 164(E), March 8, 2024: E-Waste (Management) Amendment Rules, 2024, rule 15(9) (PDF, 734 KB)
- G.S.R. 177(E), March 12, 2024: Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2024, rule 29(8) and Schedule IX, paragraph 6(8) (PDF, 1.3 MB)
- G.S.R. 201(E), March 14, 2024: Plastic Waste Management (Amendment) Rules, 2024, Schedule II, paragraph 8.8 (PDF, 1.6 MB)
- S.O. 98(E), January 6, 2025: Environment Protection (End-of-Life Vehicles) Rules, 2025, rule 15(4) (PDF, 2.1 MB)
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