AMENDMENT

MoEFCC adds extended producer responsibility for used oil to the hazardous waste rules from April 1, 2024

G.S.R. 677(E) inserts EPR for used oil in the hazardous waste rules from April 1, 2024, with producer targets from 5% for 2024-25 to 50% from 2030-31.

G.S.R. 677(E), A NOTIFICATION OF the Ministry of Environment, Forest and Climate Change dated September 18, 2023, makes the Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2023 under sections 6, 8 and 25 of the Environment (Protection) Act, 1986 read with sub-rule (3) of rule 5 of the Environment (Protection) Rules, 1986. It records that the draft was published as G.S.R. 338(E), dated May 2, 2023, that copies of that Gazette were made available to the public on May 2, 2023, and that the objections and suggestions received within the period were duly considered. The rules come into force from April 1, 2024.

THE CHANGE

A new Chapter VII, Extended Producer Responsibility for Used Oil (rules 25 to 43), inserted after Chapter VI of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

KEY FACTS

TYPE
Amendment

G.S.R. NUMBER
G.S.R. 677(E)

DATED
September 18, 2023

APPLIES FROM
April 1, 2024 (rule 1(2): 'from the 1st day of April, 2024')

REFERENCES

G.S.R. 677(E)

CG-DL-E-18092023-248814

MoEFCC adds extended producer responsibility for used oil to the hazardous waste rules from April 1, 2024

G.S.R. 677(E) · September 18, 2023

G.S.R. 677(E), a notification of the Ministry of Environment, Forest and Climate Change dated September 18, 2023, makes the Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2023 under sections 6, 8 and 25 of the Environment (Protection) Act, 1986 read with sub-rule (3) of rule 5 of the Environment (Protection) Rules, 1986. It records that the draft was published as G.S.R. 338(E), dated May 2, 2023, that copies of that Gazette were made available to the public on May 2, 2023, and that the objections and suggestions received within the period were duly considered. The rules come into force from April 1, 2024.

They insert Chapter VII, Extended Producer Responsibility for Used Oil, after Chapter VI of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. Producers of base oil or lubrication oil, collection agents, recyclers and used oil importers must be registered by the Central Pollution Control Board on its portal, may not carry out business without registration, and may not deal with unregistered entities. Bulk generators, entities generating 'more than 100 metric tonnes of used oil per annum', must set up collection points and hand used oil only to registered recyclers, producers or collection agents.

Producers' recycling targets are set as a share of the base oil or lubrication oil sold or imported two years earlier: 5% for 2024-2025, 10% for 2025-2026, 20% for 2026-2027 and 2027-2028, 40% for 2028-2029 and 2029-2030, and 50% from 2030-2031 onwards. Used oil importers must meet 100 percent of the used oil imported in the previous year, and used oil may be imported for re-refining only. Producing re-refined base oil or lubrication oil ranks before energy recovery.

Producers may fulfill their obligation by buying EPR certificates online from registered recyclers only. Certificates are calculated as QEPR = QP x CF x WP, with a weightage of 1.0 for re-refined base oil or lubrication oil and 0.25 for 'co-processing/ utilisation/ energy recovery' of used oil not suitable for recycling; they are valid for two years from the end of the financial year in which they were generated, and a producer may buy up to its current-year liability, any leftover liability and 10 percent more. One or more trading platforms may be set up through an agency accredited by the Central Pollution Control Board.

Environmental compensation is levied for unmet obligations and false certificates; an unmet obligation carries forward for up to three years, and eighty-five, sixty or thirty percent of the compensation is returned if the shortfall is made up after one, two or three years. A person who provides incorrect information, uses false certificates, willfully violates the Chapter or does not cooperate in audit shall be prosecuted under section 15 of the Act. A Steering Committee headed by the Chairperson of the Central Pollution Control Board oversees the Chapter, and the Bureau of Indian Standards is to issue standards for re-refined oil within nine months of commencement.

The notification (F. No. 23/75/2021-HSMD) appears in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), No. 535, dated September 18, 2023. Its Note records that the principal rules were published by G.S.R. 395(E), dated April 4, 2016, and last amended by G.S.R. 500(E), dated July 12, 2023.

G.S.R. number	G.S.R. 677(E)
Dated	September 18, 2023
Gazette ID	CG-DL-E-18092023-248814
Rule	Used oil
Type	Amendment
Amends	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
Products	Used oil, Base oil, Lubrication oil
What it does	A new Chapter VII, Extended Producer Responsibility for Used Oil (rules 25 to 43), inserted after Chapter VI of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
Applies from	April 1, 2024 (rule 1(2): 'from the 1st day of April, 2024')
Completes the draft	G.S.R. 338(E) of May 2, 2023; objections and suggestions received were considered
Conditions	• Producers' targets, Table Part A: a share of the base oil or lubrication oil sold or imported two years earlier, 5% for 2024-2025, 10% for 2025-2026, 20% for 2026-2027 and 2027-2028, 40% for 2028-2029 and 2029-2030, and 50% from 2030-2031 onwards (rule 27(2)). • For units established after April 1, 2024, the obligation starts after two years from the end of the financial year in which the unit was established (rule 27(2), Part A). • Used oil importers: 100 percent of the used oil imported in the previous year; used oil may be imported for re-refining only (rule 27(2), Part B). • 'The extended producer responsibility shall lie entirely on the producer only', though producers may take help of 'third party organisations, such as integrated used oil management systems, collection centres or dealers' (proviso to rule 27(2)). • Annual returns on or before June 30 following the financial year; quarterly returns from collection agents and recyclers by the end of the month after the quarter (rules 31 to 34).

- The portal is to be functional within six months, and standards for re-refined oil are due from the Bureau of Indian Standards within nine months, of the date of commencement of these rules (rules 30(3) and 38).

Applies to	Producers of base oil or lubrication oil, used oil importers, collection agents, recyclers, and bulk generators generating 'more than 100 metric tonnes of used oil per annum'.
Issued under	Sections 6, 8 and 25 of the Environment (Protection) Act, 1986 (29 of 1986) read with sub-rule (3) of rule 5 of the Environment (Protection) Rules, 1986
Signed by	NARESH PAL GANGWAR, Addl. Secy.

The notification, entry by entry

Entry	Text
Chapter VII (inserted after Chapter VI)	Extended Producer Responsibility for Used Oil: rules 25 to 43, below.
Rule 25: Definitions	'bulk generator' includes any entity like automobile industry or railways or defence establishments or a transport company or industrial units or power transmission company or hotels or restaurants and other such entity which is generating more than 100 metric tonnes of used oil per annum. 'producer' means any person or entity, irrespective of the selling technique used such as dealer, retailer, e-retailer, who manufactures and offers to sell base oil or lubrication oil domestically under its own brand; or offers to sell lubrication oil domestically under its own brand, using the base oil manufactured by other manufacturers or suppliers; or offers to sell imported base oil or lubrication oil domestically. 'recycling' means any process of re-refining of used oil to produce base oil or lubrication oil or any process of energy recovery from used oil in an environmentally sound manner.
Rule 26: Registration	Producers, collection agents, recyclers and used oil importers shall get them registered by the Central Pollution Control Board on the portal. No such entity shall carry out business without registration, and registered entities shall not deal with any entity not registered. For false information, willful concealment or any irregularity, the Board may revoke a registration for a period up to five years after giving an opportunity to be heard, and environmental compensation may also be levied under rule 39.
Rule 27(1): modes, in order of priority	(i) producing re-refined base oil or lubrication oil; and (ii) energy recovery.

Rule 27(2), Table, Part A: producers of base oil or lubrication oil	Extended Producer Responsibility obligation of the Year 2024-2025 (the year in which this Chapter comes into force): 5% of the base oil or lubrication oil sold or imported in the Year 2022-2023. 2025-2026: 10% of that sold or imported in 2023-2024. 2026-2027: 20% of 2024-2025. 2027-2028: 20% of 2025-2026. 2028-2029: 40% of 2026-2027. 2029-2030: 40% of 2027-2028. 2030-2031 (Y) onwards: 50% of the base oil or lubrication oil sold or imported in the year (Y-2). For units established after 1st April, 2024, the obligation will start after two years from the end of the financial year in which the unit was established.
Rule 27(2), Table, Part B: used oil importers	The extended producer responsibility obligation for used oil importers in year (Y) shall be 100 per cent of the used oil imported in year (Y-1); and the import of used oil is permitted for the purpose of re-refining only.
Rule 27(2), proviso, and (3) to (4): meeting the targets	Producers and used oil importers may take help of 'third party organisations, such as integrated used oil management systems, collection centres or dealers': 'Provided that the extended producer responsibility shall lie entirely on the producer only.' The target is reduced by a factor laid down by the Central Pollution Control Board on account of operational loss of base oil. Producers may fulfill their extended producer responsibility through online purchase of certificates from registered recyclers only; where figures differ, the lower figure counts; certificates are subject to audit.
Rule 28: certificate generation	Weightage: 1.0 for producing re-refined base oil or lubrication oil; 0.25 for 'co-processing/ utilisation/ energy recovery for used oil not suitable for recycling', maximum permissible percentage to be prescribed by the Central Pollution Control Board. QEPR = QP x CF x WP, the conversion factor CF being determined by the Board based on the technologies used by recyclers and quality of re-refined base oil produced. A certificate is valid for two years from the end of the financial year in which it was generated, in denominations of 100, 200, 500, 1000 and 10,000 kilograms or as laid down by the Board with the approval of the Steering Committee.
Rule 29: transactions	A producer may purchase certificates limited to its liability of the current year (Year Y) plus any leftover liability of preceding years plus 10 percent of the current year liability. Obligations are fulfilled by proportionately purchasing certificates on a quarterly basis; purchased certificates are adjusted against liability, earlier liability first, and extinguished. One or more trading platform for sale and purchase of certificates may be established through agency accredited by the Central Pollution Control Board, under its guidelines approved by the Central Government.
Rule 30: portal	The Central Pollution Control Board shall establish an online system for registration, quarterly and annual returns, certificates and tracing of oil, to be functional within six months from the date of commencement of the Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2023. The manifest system for transport of used oil applies to entities under the Chapter required to take authorization under the said rules.
Rules 31 to 35: producers, importers, collection agents, recyclers and bulk generators	Producers and used oil importers register, meet their targets and file annual returns on or before 30th June following the financial year. Collection agents and recyclers register and file quarterly returns by the end of the month succeeding the quarter and annual returns on or before 30th June. Bulk generators set up collection points and ensure that used oil generated by them is handed over only to the registered recyclers or producer or collection agents.

Rules 36 to 38: the Central Pollution Control Board, States and the Bureau of Indian Standards	The Central Pollution Control Board runs the portal, issues guidelines and standard operating procedures and conducts random checks. State departments of industry earmark industrial space for collection and re-refining units; municipalities and local bodies facilitate collection points; State boards conduct random inspection. The Bureau of Indian Standards shall issue necessary standards for re-refined oil within nine months from the date of commencement of these rules.
Rule 39: Environmental Compensation	Levied under guidelines of the Central Pollution Control Board for non-fulfillment of obligations, false certificates and violations. Unfulfilled responsibility is carried forward up to three years; eighty-five percent of the compensation is returned if the shortfall is addressed after one year, sixty percent after two years and thirty percent after three years, and none thereafter. Over generation of certificates by a recycler above five percent of the actual recycled waste leads to revocation of registration and compensation that is not returnable; violation three times or more leads to permanent revocation.
Rules 40 to 43: prosecution, audit, Steering Committee, other provisions	A person who provides incorrect information, uses false or forged certificates, willfully violates the Chapter or fails to cooperate in verification and audit shall be prosecuted under section 15 of the Act, in addition to environmental compensation. The Board verifies compliance through inspection and periodic audit, for a fee. A Steering Committee headed by the Chairperson, Central Pollution Control Board oversees the Chapter. The provisions relating to hazardous wastes under the rules also apply to used oil.

The notification (PDF, 1.3 MB)

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IndusDesk

hello@indusdesk.com · +91 11 4141 3939

9th Floor, Hemkunt House, Rajendra Place, New Delhi, Delhi 110008, India

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