

Apex pollution body battles multiple assaults on plastic waste trading scheme

The Central Pollution Control Board has begun a national audit of about 800 plastic-waste recyclers; it has also filed a complaint with the Delhi Police against unknown “hackers”, for having allegedly stolen several thousand EPR credits; official says many issues were a result of ‘teething issues’ because this was the first full year since the scheme was implemented

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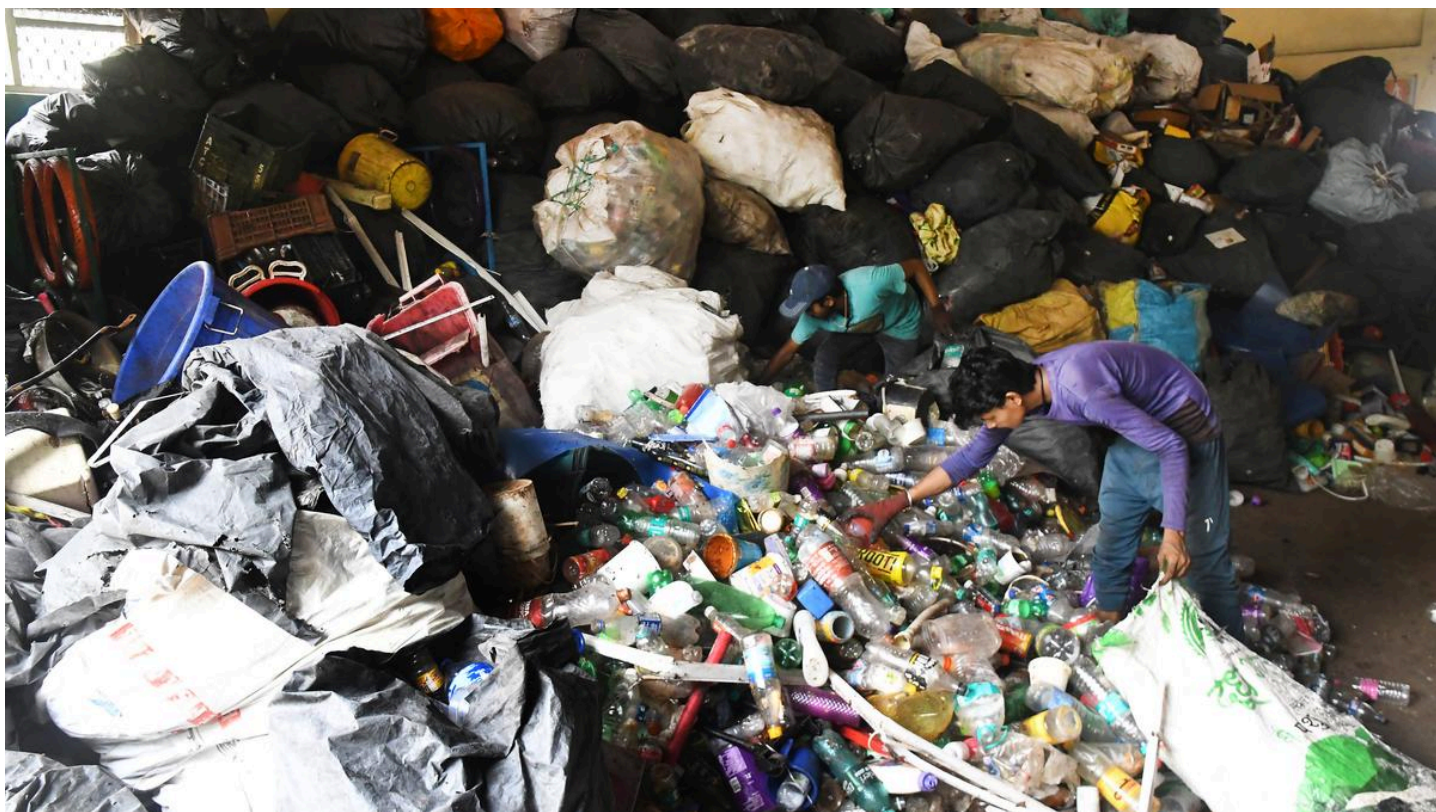


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The Central Pollution Control Board has begun a national audit of about 800 plastic-waste recyclers across the country, *The Hindu* has learnt, after it emerged that four firms in Karnataka, Maharashtra, and Gujarat had issued nearly 600,000 fake certificates under

the Extended Producer Responsibility (EPR) programme. The EPR scheme mandates businesses that use plastic packaging material to recycle a certain percentage of the plastic used in the previous two years. On July 14, *The Hindu* had carried a report on the issue and on the chances of many more fake certificates having been generated.

Separately, it has also filed a complaint with the Delhi Police against unknown “hackers”, for having allegedly stolen several thousand EPR credits from its online portal. The Delhi Police is learnt to have lodged a first information report (FIR) and is investigating the matter.

These certificates or EPRs, as they are called, are generated by registered plastic waste recyclers who collect plastic waste and recycle them. Every tonne of plastic recycled by them generates a certificate. As per a report by the CPCB this May, certificates pertaining to nearly 3.7 million tonnes of recycled plastic were generated but given that companies have differing obligations, the exact number of certificates they buy from recyclers is not public knowledge.

In 2022-23 - the latest year for which information is available - there were about 18,000 companies that used plastic packaging that were registered with the CPCB, which manages the EPR scheme as either producers, importers or “brand-owners”. They had a collective target of recycling about 3.3 million tonnes with the Environment Ministry data suggesting that on average over 85% of the target was met. The Plastic Waste Management Rules, 2016, mandate all companies that use plastic packaging to register with the CPCB. Not complying with these targets can invite fines. The certificates are uploaded on a dedicated portal maintained by the CPCB and recyclers and buyers can transact online, via the portal, to trade in these certificates.

In 2022-23, for instance, companies were expected to recycle 70% of the packaging used in the previous two financial years. For 2023-24, it is 100%.

A senior official of the CPCB, who declined to be identified, explained that fake certificates were a result of “teething issues” because this was the first full year since the scheme was implemented and that there could have been a “lack of clarity” among recyclers on the mechanics of the scheme. “This is a paradigm shift. All these years, companies had no mandatory targets and were alien to the concept of an online tracking system that showed

how many certificates were generated and traded. While we are aware of the problem, it is akin to – say the early years of implementing GST (Goods and Services Tax) or filing Income Tax returns online. We will be keeping a track of EPR-filings by companies and in case of suspicious filings, we will be keeping a hawk’s eye. Errant companies will face heavy fines,” the official told *The Hindu*.

Regarding the criminal investigation, the official said that an investigation has been on since October last year. In the meantime, security features of the EPR-trading platform have been enhanced which required a major rehaul of the portal. Only after the investigation is complete will it be clear how many companies traded in stolen certificates. The potential fines for the guilty would be worth “hundreds of crores,” the official claimed, though recovering these sums is usually a long-drawn process.

Auditors had been recruited from leading research institutions and they had been trained to undertake audits. Around 800 of the 2,348 firms were being audited because they had executed trades in certificates. Following these, the rest of the firms would be audited too, the official added. Reports on the findings are expected to be public later this year.

The specifics vary but the basic pattern in how the four recyclers produced fake certificates is similar. The four recycling companies, Enviro Recycle Pvt. Ltd. (Karnataka), Shakti Plastics Industries (Maharashtra), Technova Recycling India Pvt. Ltd. and Asha Recycle Pvt. Ltd., were hauled up for claiming to have generated many more EPR certificates than the installed capacity of their plants. The malpractice came to light after the CPCB conducted physical checks on their premises. Certificates generated by recycling companies are considered legitimate only if recyclers are actually able to sell the recycled plastic. In the case of these companies, they were unable to establish proof of sales to the visiting CPCB officials.