



HP State Pollution Control Board
HIM Parivesh Bhawan, Phase-III, New Shimla-09
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No. HPSPCB/Consent/84th Board Meeting 2024

Dated 05/05/2025

Office Order

In continuation to this office order No. HPSPCB/Consent/ 84th Board Meeting 2024-14682-14719 dated 07.12.2024 vide Agenda **Item No. 84.08**, and as decided by the Competent Authority, the area of applicability with formula for assessing and levying of the Environmental Compensation on the Industrial Units/Infrastructure Development Projects/ Tourism Units shall be as follows with immediate effect:

C. Environment Compensation to be levied for various violations by Industrial Units:-

The environmental compensation for the industries will be calculated as per the following formula:

$$EC=PI \times N \times R \times S \times LF$$

Where,

EC is Environmental Compensation in ₹

PI=Pollution Index of industrial sector

N = Number of days of violation took place

R=A factor in Rupees(₹) for EC

S = Factor for scale of operation

LF=Location factor

Pollution Index (PI)

The Pollution Index (PI) was the function of water pollution, air pollution, hazardous waste generation, fuel consumption and amount of waste water generation

The range of Pollution Index for Red, Orange and Green is 60 to 100, 41 to 59 and 21 to 40, respectively.

The average pollution index has been suggested in the CPCB report is as below: -

Category	Red	Orange	Green
PI	80	50	30

Number of days(N)

N, number of days for which violation took place is the period between the day of violation observed/due date of direction's compliance and the day of compliance verified by regional office.

Note:

- i. **The Number of days for which violation took place shall be counted from the date of first violation observed or date of inspection to the compliance achieved by the unit.**
- ii. **In case of results of sample found beyond the prescribed limits, the number of days shall be counted from the date of sample taken to the date of compliance achieved by the unit.**

Factor in Rupees (R)

The minimum of 100 and maximum of 500 of factor in Rupees(R) mentioned in report of CPCB.

The CPCB has suggested Rs. 250 for calculation of the Environmental Compensation in cases of violation which shall be applicable in all cases as of now.

Factor for scale of operation (S)

The following values of PI have been suggested in the CPCB report:—

Category	Small/micro	Medium	Large
S	0.5	1.0	1.5

Location factor (LF)

Value of Location Factor will be based on population of the city/town and location of the industrial activity. For the industrial unit located within municipal boundary or up to 10 Km. distance from the municipal boundary of the city/town, following values of location factors(LF) have been suggested in the CPCB report based on the population of the city/town

S. No.	Population (In million)*	Location Factor
1.	Up to one million	1.0
2.	1to<5	1.25
3.	5to<10	1.5
4.	10andabove	2.0

*Population of the city/town as per the latest Census of India

LF will be 1.0 in case unit is located at a distance>10Km. from the municipal boundary.
LF is presumed as 1 for city/town having population less than 1million.

In any case, minimum Environmental Compensation shall be ₹5000/day.

Example:-

If a unit falls under the Red category of industries so Pollution Index as per formula is 80 (i.e. $PI = 80$).

Suppose number of days of violation took place is 100 days ($N = 100$)

R is taken 250 for the violation

Scale of the industry is large i.e. ($S = 1.5$)

Suppose Location of the unit is in Baddi area so as the population is less than 1 million i.e. ($LF = 1$)

So as per formula:

Environment Compensation will be (EC) = $PI \times N \times R \times S \times LF$

$= 80 \times 100 \times 250 \times 1.5 \times 1$

=Rs 30,00,000/-

Note:-

- i. The Number of days for which violation took place shall be counted as suggested in methodology and guidelines prepared by CPCB for calculation of EC. The duration of violation in terms of number of days may be different for various violations. In such case, the amount will be calculated individually for different violations and added. Further in case, Hon'ble NGT, Hon'ble High Court, Hon'ble Apex Court or any other legal forum, issue orders regarding the number of days then same shall be taken into account for calculation of EC.
- ii. In case of results of sample found beyond the prescribed limits, the number of days shall be counted from the date of collection for which the non-compliance observed to the date of implementation of closure order or date of compliance verified. The analysis report submitted with compliance shall be from laboratory of Board or laboratory recognized by the Board.
- iii. In specific cases, where the Board is of the view that the damages caused to the environment are of such magnitude that it may require enormous efforts/money to restore the environment or reconstruct/repair property, a detailed study may be ordered to be carried out through one or more expert agencies/institutions to assess such damages and work out the cost of restoration and environment compensation to be levied on polluters. The expenditure incurred on such study (studies) shall be borne by the polluters.

By Order
Hon'ble Chairman, HPSPCB

Endst. No. HPSPCB/Consent/84th Board Meeting 2024 1677-1714 Dated 05/05/25

1. Private Secretary to the Hon'ble Chairman, HPSPCB, Shimla-171009.
2. Secretary (Health) to the Govt. of HP Shimla-171002.

3. The Secretary (Ayurveda) to the Govt. of HP Shimla-171002.
4. The Secretary (Animal Husbandry) to the Govt. of HP Shimla-171002.
5. The Additional Secretary (EST &CC) to the Govt. of HP Shimla- 171002.
6. The Director of Health Services/ Medical Education/ Ayurveda/ Animal Husbandry, Himachal Pradesh.
7. All the Deputy Commissioners in Himachal Pradesh.
8. All the Regional Officer(s), HPSPCB.
9. All the Central/ Regional Laboratory In-charge(s), HPSPCB.
10. The Sr. System Manager, IT Division HPSPCB Shimla for information and to upload the same on HPSPCB Website.
11. The Sr. Law officer, Legal Division, HPSPCB Shimla for record.
12. Case file/ Notice Board, HPSPCB Shimla 171009.

Signed by

Anil Joshi

Date: 02-05-2025 13:05:24

(Anil Joshi, IFS)
Member Secretary
HPSPCB, Shimla-9