



TAMIL NADU POLLUTION CONTROL BOARD



Proceeding No.: TNPCB / T6/ F.12753 / MNL / RL / 2024, dated: 20.02.2025

Sub: TNPCB – Industries – M/s. Chennai Petroleum Corporation Limited, Refinery I, II & III, Manali Village, Thiruvottiyur Taluk, Chennai District– Directions under Section 5 of Environment Protection Act, 1986 to levy Environmental Compensation for the oil spillage caused during Michaung Cyclone in December 2023 – Issued – Regarding.

Ref: 1. G.O (Ms) No.178 Dated 10.12.2023 by Environment, Climate Change & Forests Department, Government of Tamil Nadu
2. Board's Proceeding No. T6 / TNPCB / 12753 / W / 2023, Dated: 11.12.2023
3. Board's Proceeding No. T6 / TNPCB / 12753 / W / 2023, Dated: 11.01.2024
4. Technical Team Report on Computation Of Environmental Compensation to be levied to Chennai Petroleum Corporation Limited for the Oil Spillage in Ennore Creek Area during the floods caused by Michaung Cyclone in December 2023
5. Hon'ble NGT orders in the OA No.180 of 2023 (SZ), OA No.183 of 2023 (SZ) & OA No.59 of 2024(SZ) Dated 24.10.2024
6. Board's Proceeding No.: TNPCB / T6/ F.12753 / MNL / RL / 2024, dated: 21.11.2024
7. Unit's reply dated 05.12.2024
8. Hon'ble NGT orders in the OA No.180 of 2023 (SZ), OA No.183 of 2023 (SZ) & OA No.59 of 2024(SZ) Dated 24.01.2025

Whereas, in December 2023, Michaung Cyclone resulted in heavy floods in Manali Industrial area including Chennai Petroleum Corporation Limited (CPCL) and caused ingress of oil from CPCL that found its way to Buckingham Canal and Kosasthalaiyar River finally reaching the Ennore Creek Area. The spilled oil affected the nearby areas causing major concern to livelihood and environment.

Whereas, a technical team was formed by the Government vide reference 1st cited to ascertain the cause of the leak with expert members and based on the team's preliminary report, directions were issued by the TNPC Board to M/s. Chennai Petroleum Corporation Limited, Refinery I, II & III, Manali Village, Thiruvottiyur Taluk, Chennai District vide reference 2nd cited above under Section 33A of the Water (Prevention & Control of Pollution) Act 1974 to comply with the conditions stated therein including the following:

- M/s. CPCL shall also be liable to pay environmental compensation for any damaged caused in contravention of the extant provisions under the Water (Prevention & Control of Pollution) Act 1974
- M/s. CPCL shall also be liable to pay compensation to the families adversely impacted due to the oil spillage including the loss of livelihood

Whereas, subsequently, directions were again issued by the TNPC Board to M/s. Chennai Petroleum Corporation Limited, Refinery I, II & III, Manali Village,

Thiruvottiyur Taluk, Chennai District vide reference 3rd cited above under Section 33A of the Water (Prevention & Control of Pollution) Act 1974 to comply with the conditions stated therein including the following

- *The unit shall abide by the action to be taken under the provisions of Water (P&CP) Act, Air (P&CP) Act and E(P) Act including levy of Environmental Compensation for the non-compliance of conditions*

Whereas, the Government had engaged Indian Institute of Technology, Madras to carry out the quantification of oil spill and environmental impact assessment due to the oil spillage in Ennore Creek and IIT Madras had submitted their final report on 01.07.2024.

Whereas, the technical team previously formed by the Government assessed the report on 03.09.2024 and concluded the following among others:

“c. Therefore, the total spilled oil may be considered as 647 cu.m or 517 tonnes for computation of damages caused. Assessment of the environmental damage caused by the oil spillage and the cost of restitution of environment will be calculated by the methodology adopted in the research publication “Oil spill & cleanup costs by Cao Thi Thu Trang, Institute of Marine environment & Resource, Vietnam”. This methodology of cost calculation was used in similar NGT matter in OA No. 18 of 2020/EZ (Praveen Kumar Singh Vs Damodar Valley corporation & Ors.).”

Whereas, subsequently the technical team met on 14.10.2024 and computed the total damages caused using the methodology by Cao Thi Thu Trang, Institute of Marine environment & Resource, Vietnam and furnished a detailed report vide reference 4th cited above. In this regard, the team recommended to recover a sum of ₹73,68,00,906/- (Rupees Seventy Three Crores Sixty Eight Lakhs Nine Hundred and Six only) as Socio Economic Damage Cost (₹35,43,71,708/-) and Environmental Damage Cost (₹38,24,29,198/-) due to the oil spill occurred during December 2023.

Whereas, the team's report was submitted to the Hon'ble NGT on 24.10.2024 and the tribunal in its order dated 24.10.2024 directed that the TNPCB is free to take further action in this regard. In view of the same, Board vide reference 6th cited issued a show cause notice to M/s. Chennai Petroleum Corporation Limited to show cause within 15 days as to why environmental compensation of ₹73,68,00,906/- (Rupees Seventy Three Crores Sixty Eight Lakhs Nine Hundred and Six only) computed as above shall not be levied against their unit under Section 5 of the Environmental Protection Act, 1986 for the environmental damages and the socio-economic damages caused due to oil spill occurred during December 2023.

In response to the same, the unit had submitted a reply dated 05.12.2024 vide reference 7th cited stating that the CPCL is in the process of filing objections to the IIT



TAMIL NADU POLLUTION CONTROL BOARD



report before Hon'ble NGT since the quantity arrived by the IITM report is abnormally high and hence it is not acceptable.

Whereas, Hon'ble NGT vide its order dated 24.01.2025 has directed TNPCB to file a report on the action taken against the Oil Company and whether the environmental compensation is quantified and to file an action plan for the remediation and the status as on date.

Since, CPCL has not yet submitted their detailed report on oil quantity estimation and assessment done through experts in oceanography and as per the Hon'ble NGT order dated 24.01.2025, the Board has now decided to consider the Technical Team's recommendation and decided to recover a sum of ₹73,68,00,906/- (Rupees Seventy Three Crores Sixty Eight Lakhs Nine Hundred and Six only) as Socio Economic Damage Cost and Environmental Damage Cost due to the oil spill occurred during December 2023 to carry out the remediation measures to be implemented in the oil-affected areas.

Now, therefore, in view of the above, your unit of M/s. Chennai Petroleum Corporation Limited, Refinery I, II & III, Manali Village, Thiruvottiur Taluk, Chennai District is hereby directed to remit an environmental compensation of ₹73,68,00,906/- (Rupees Seventy Three Crores Sixty Eight Lakhs Nine Hundred and Six only) under Section 5 of the Environmental Protection Act, 1986 for the environmental damages and the socio-economic damages caused due to oil spill occurred during December 2023 within 15 days from the date of receipt of this proceedings.

The amount shall be paid to TNPCB through demand draft drawn in favour of "TNPCB-Environmental Compensation fund" payable at Chennai.

Failure to comply with the above direction will attract stringent action against the unit as per the provisions of Section 5 (Closure and stoppage of electricity) and Section 15 (Penalty provision) of the Environment (Protection) Act, 1986 as amended.

The receipt of the proceedings shall be acknowledged.

J. S. Kumar
20/2/25

For Chairperson

S. S.
20/2/25

To

The Managing Director,
M/s. Chennai Petroleum Corporation Limited Refinery I, II & III,
Manali Village, Thiruvottiur Taluk,
Chennai District

Copy to

1. The Joint Chief Environmental Engineer (M),
Tamil Nadu Pollution Control Board, Chennai
2. The District Environmental Engineer,
Tamil Nadu Pollution Control Board, MERRC, Manali
3. File copy