

**BEFORE THE NATIONAL GREEN TRIBUNAL  
SOUTHERN ZONE, CHENNAI**

**ORIGINAL APPLICATION No. 15 OF 2022 (SZ)**

**IN THE MATTER OF:**

Gummi Narendra Reddy,  
Anthammagudem (V),  
Pochampally (M),  
Yadadri – Bhuvanagiri District

....

Applicant(s)

Versus

Union of India,  
rep. by its Secretary,  
New Delhi & Ors.

....

Respondent(s)

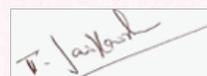
**REPORT OF THE TELANGANA STATE POLLUTION CONTROL BOARD  
(RESPONDENT No. 3)**

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**Place: Hyderabad**

**Date: 11-08-2023.**



**Counsel for 3rd Respondent**



**REPORT DATED 10-08-2023 OF TELANGANA STATE POLLUTION CONTRL BOARD (R3) IN OA NO.15 OF 2022 FILED BY SRI GUMMI NARENDAR REDDY, S/O. G. RANGA REDDY, ANTHAMMAGUDEM VILLAGE, POCHAMPALLY MANDAL, YADADRI-BHUVANAGIRI DISTRICT AGAINST M/S. BRUNDAVAN LABORATORIES (P) LTD.**

Sri Gummi Narender Reddy, S/o. G. Ranga Reddy, Anthammagudem Village, Pochampally Mandal, Yadadri-Bhuvanagiri Distirct has filed O.A.No.15 of 2022 in Hon'ble National Green Tribunal (NGT), Southern Zone, Chennai against the pollution caused by Brundavan Laboratories (P) Ltd., Yellagiri (V), Choutuppal (M), Yadadri-Bhuvanagiri District.

M/s. Brundavan Laboratories (P) Ltd., is located at Yellagiri (V), Choutuppal (M), Yadadri-Bhuvanagiri Distirct and engaged in manufacturing of Bulk Drugs & Intermediates.

Earlier, the Board has filed a report dated on 01.03.2023 before the Hon'ble NGT, Chennai furnishing the status of Environmental Clearance, Consent for Establishment and Consent for Operation obtained by the Respondent industry, status of Pollution Control measures and status of action taken by the Board.

The Hon'ble NGT (SZ), Chennai vide order dated 28.03.2023 directed the Respondent Board to file the report as to how the calculations were made and compensation was arrived at.

Accordingly, the Board has filed latest report dated 24.04.2023 before the Hon'ble NGT, Chennai the submitting the details on calculations on crop compensation arrived at.

It is further submit that, the Respondent industry is also reviewed by the Hon'ble NGT (SZ) in another case in OA No. 97 of 2021 filed by Sri Ravula Linga Swamy and Others of Anthammagudem Village, Pochampally Mandal, Yadadri Bhuvanagiri District. The Respondent Board vide order dated: 20.06.2023 levied Environmental Compensation (EC) of Rs. 45,00,000/- (Rupees Forty Five Lakhs Only) on Respondent industry.

**(Annexure – I)**

Subsequently, Respondent industry has filed a W.P. No. 19039 of 2023 before Hon'ble High Court of Telangana praying the Hon'ble High Court to declare the order No: NLG-50/TSPCB/TF/HO/2023-440, dated:20.06.2023 issued by the Respondent Board directing the petitioner industry to deposit an amount of Rs. 45,00,000/- towards Environmental

Compensation without giving any notice as arbitrary and irregular, contrary to law, without power and jurisdiction and set aside the same.

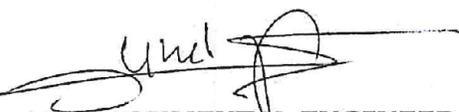
The Hon'ble High Court vide order dt.26.07.2023 issued stay on impugned order dated 20.06.2023. (**Annexure – II**)

Subsequently, the Hon'ble High Court vide order dt.08.08.2023 quashed and set aside the order dt.20.06.2023 issued by Respondent Board levying Environmental Compensation and matter is remitted to the Respondent Board with a direction to afford an opportunity of hearing to the industry. (**Annexure – III**)

In view of the above and as per orders of Hon'ble High Court, the Respondent Board will give an opportunity of hearing to the Respondent industry and take further necessary action on levying of Environmental Compensation.

**Place: Nalgonda.**

**Date:10.08.2023**

  
**ENVIRONMENTAL ENGINEER**

**ENVIRONMENTAL ENGINEER**  
T.S. Pollution Control Board,  
Regional Office, Nalgonda.



**BY REGD. POST WITH ACK. DUE**

*Annexure-I*

Order No. NLG-50/TSPCB/TF/HO/2023- *UUD* (3)

**Dated: 20.06.2023**

**Sub :** TSPCB - M/s. Brundavan Laboratories (P) Ltd., Yellagiri (V), Choutuppal (M), Yadadri Bhauangiri District - Causing of damage to the Environment due to operation of the industry - **LEVYING OF ENVIRONMENTAL COMPENSATION** and Water (Prevention and Control of Pollution) Amendment Act, 1988 - Air (Prevention and control of Pollution) Amendment Act, 1987 - **ADDITIONAL DIRECTIONS - ORDERS ISSUED** - Reg.

**Ref :**

1. CFO&HWA Order dt.13.01.2023 with a validity upto 31.12.2027.
2. Closure Order No.NLG-54/TSPCB/TF/HO/2017-2131 & 2132, dt.02.03.2022.
3. Temporary Revocation of Closure Order No.NLG-54/TSPCB/TF/HO/2017-161, Dt: 26.04.2022.
4. CPCB Letter No.F.No.B-29016/04/06/IPC-I/438, Dt.19.09.2022, received on 13.10.2022 /28.10.2022.
5. Hon'ble NGT, (SZ), Chennai Orders dated 31.10.2022 in O.A.No.97 of 2021.
6. Extension of Temporary Revocation of Closure Order No.NLG-54/TSPCB/TF/HO/2022-, Dt:06.12.2022.
7. The Hon'ble NGT, Chennai has issued directions vide Order dated: 17.01.2023.
8. M/s. EPTRI, Hyderabad study report dated:24.04.2023.
9. Show Cause Notice dated:22.05.2023.
10. Hearing held on 11.05.2023.

\* \* \* \* \*

1. **WHEREAS**, you are operating the Bulk drugs & Intermediates manufacturing unit at Yellagiri (V), Choutuppal (M), Yadadri Bhauangiri District.
2. **WHEREAS**, vide reference 1<sup>st</sup> cited, the Board issued CFO&HWA to the industry on 13.01.2023 with a validity up to 31.12.2027.
3. **WHEREAS**, vide reference 2<sup>nd</sup> cited, the Board issued Closure order to the industry for non compliance of the Board directions / Consent conditions and causing pollution in the surrounding area.
4. **WERHEAS**, vide reference 3<sup>rd</sup> cited, the Board issued Temporary Revocation of Closure Order to industry on 26.04.2022 for a period of Three months with certain directions to comply.
5. **WHEREAS**, vide reference 4<sup>th</sup> cited, CPCB issued certain directions to the Board in connection with O.A No. 97 of 2021 filed by Sri Ravula Linga Swamy, S/o. Yadaiah and Others, Anthammagudem Village, Pochampally Mandal, Yadadri Bhuvanagiri District before Hon'ble NGT (SZ) Chennai.
6. **WHEREAS**, vide reference 5<sup>th</sup> cited, the Hon'ble NGT vide Order dated 31.10.2022 issued directions to the Board to implement the directions given by the CPCB to the Board and also assess the compensation for the alleged deliberate violations found in the CPCB report.
7. **WERHEAS**, vide reference 6<sup>th</sup> cited, the Board issued Extension of Temporary Revocation of Closure Order to industry on 06.12.2022 for a period of Six months with certain directions to comply based on the observation made in the CPCB report.
8. **WHEREAS**, vide reference 7<sup>th</sup> cited, the Hon'ble NGT, Chennai vide Order dated: 17.01.2023 directed the TSPCB to furnish the compliance report on water & soil analysis.

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9. **WHEREAS**, vide reference 8<sup>th</sup> cited, EPTRI, Hyderabad has submitted study report dt.24.04.2023 on water & soil monitoring in Dothigudem industrial cluster. As per the study report, certain bore wells are contaminated with the chemicals and the same were matched with the products and derivatives of all the 8 industries located in the area.
10. **WHEREAS**, The TSPCB filed a report dt.25.04.2023 before Hon'ble NGT submitting that the TSPCB will take necessary action, based on the finding of the study report dated 24.04.2023 of M/s Environment Protection Training & Research Institute (EPTRI), Gachibowli, Hyderabad.
11. **WHEREAS**, vide reference 9<sup>th</sup> cited, the Board issued show cause notice to the industry on levy of Environmental Compensation (EC) to all eight industries located in Dothigudem industrial cluster.
12. **WHEREAS**, the Board calculated the Environmental Compensation (EC). The details are as mentioned below:

1. The Environmental Compensation (EC) is estimated base on the pollution index method developed by Central Pollution Control Board in the guidelines "Policy for levying Environmental Compensation (EC) for Industries" Vide Order No:B-400 (S)/IPC-III/2019-20/1162, Dt.4.09.2019 and action plan to utilize the fund. The Hon'ble NGT has accepted the method and mentioned in the order dt.19.02.2019 in the matter of Original Application No.593/2017, (W.P) (Civil) No. 375/2012, Paryavaran Suraksha Samiti & Anr. Versus Union of India & Ors.

2. The following equation is used for estimating Environmental Compensation (EC):

$$\text{Environmental Compensation (EC)} = P_1 \times N \times R \times S \times L_f$$

Where

$P_1$  - Pollution index of industrial sector

N - No of days of violation took place

R - A factor in Rupees for EC

S - Factor for scale of operation

$L_f$  - Location factor

3. Pollution index of industrial sector (PI): The Telangana State Pollution Control Board categorized these industries into 'Red' category and accordingly the combined CFO & HWA order has been granted. For 'Red' category of industries, average pollution index is 80. **Thus  $P_1$  is considered as 80 in the EC estimation for this industry.**
4. Factor in Rupees @ (Rs): As per the environmental compensation estimation guidelines, factor of rupees may be minimum of Rs. 100/- and maximum of Rs. 500/-. In the guidelines it is suggested to consider R as Rs.250/-, as environmental compensation in case of violation. Hence, **Factor in Rupees (R) for EC estimation is considered as 250.**
5. Scale of operation (S):

S.No	Name of the industry	Small / Medium / Large	Scale of operation (S).
i.	M/s. Brundavan Laboratories (P) Ltd., (Gross Block/Fixed assests:63.72 Crores)	Medium	1

- As per website of Ministry of Micro, Small & Medium Enterprises, the small scale unit criteria is upto Rs. 10 Crore of investment and Rs 50 Crore of turnover and medium scale unit criteria is upto Rs. 50 Crore of investment and Rs. 250 Crore of turnover.
- Accordingly, the medium scale unit criteria has considered upto Rs 50 Crores of investment.
- Turnover of the industry is not considered for above calculation.

6. Location Factor (LF): The industries are located in Dhotigudem village of Pochampally Mandal and Yellagiri (V), Choutuppal (M), of Yadadri Bhuvangiri District and no other eco sensitive regions are located in the region. The total population in the region is less than one million. **Thus location factor (LF) is considered as 1 for EC estimation.**
7. No of days of violation took place (N): The details of the violations and dates considered for calculation of period of violation for estimating EC is given as below:

S.No.	Date of violation observed	Action taken for violation	Date of compliance observed	Number of days of violation	Remarks, if any. Summarise the violations.
<b>M/s. Brundavan Laboratories (P) Ltd:</b>					
1.	23.03.2022 (CPCB team inspection)	Issued directions vide order dt. 06.12.2022.  (Earlier, Board Closure orders issued on 02.03.2022 and Temporary Revocation of Closure order issued on 26.04.2022.)	--	225  (From 26.04.2022 to 06.12.2022)	<u>CPCB observations:</u>  The above industry and other adjacent pharmaceutical industries have discharged their untreated/partially treated effluent on land as well as contributing to VOC emission in Ambient Air.
<b>Number of days of violation</b>				<b>225</b>	

Based on the above factors, the Environmental Compensation (EC) is estimated as given below:

S.No	Name of the industry	Environmental Compensation (EC) $= P_1 \times N \times R \times S \times L_F$	Environmental Compensation (EC) is estimated.  (Rs)
1.	M/s. Brundavan Laboratories (P) Ltd	80 x 225 x 250 x 1 x 1.5	<b>67,50,000/-</b>

**WHEREAS**, vide reference 10<sup>th</sup> cited, you were given an opportunity of hearing before the Task Force Committee during the meeting held on 13.06.2023. The industry representative attended the meeting and stated that, the unit was small scale unit with the investment of only Rs.17.60 Crores till 23.03.2023, whereas the investment after expansion i.e. Rs.63.72 Crores was considered by the Board for the calculation of compensation. After detailed discussion, the committee examined the request of the industry and recommended to revise Environmental Compensation based on the investment of the industry during the period of violation and levy the same. Further the committee also recommended to issue additional directions to the industry. Subsequently, based on the recommendation of the Task Force Committee, the revised Environmental Compensation duly considering the investment of the industry during the period of violation is Rs. 45,000,00/-.

13. **WHEREAS**, after careful consideration of the material facts of the case, **the Board is hereby issues the following Additional Directions to your industry to comply:**

1. The industry shall maintain sufficient free board to avoid over flows in effluent collection tanks and shall dispose the same as per CFO&HWA conditions.

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2. The industry shall not stock the effluents in the collection tanks and shall send the excess effluents to CETP/ to treat in ZLD system in view of the rainy season.
14. **WHEREAS**, the Task Force Committee has recommended to levy the Environmental Compensation (EC) of Rs.45,00,000/- as per the Joint Committee recommendations, you are hereby directed to **deposit an amount of Rs.45,00,000/- (Rupees Forty Five Lakhs Only) towards Environmental Compensation within 15 days. The amount shall be deposited by way of D.D drawn in favour of "Member Secretary, T.S Pollution Control Board" payable at Hyderabad.**
15. These directions are issued under Sec.33 (A) of Water (Prevention and Control of Pollution) Amendment Act, 1988 and under Sec. 31 (A) of Air (Prevention and Control of Pollution) Amendment Act, 1987.
16. The above mentioned directives shall comply by the industry, failing which legal action will be initiated against your industry under Section 33(A) of Water (Prevention and Control of Pollution) Amendment Act, 1988 and under Section 31(A) of Air (Prevention and Control of Pollution) Amendment Act, 1987 which also includes closure of the industry in the interest of Public Health and Environment, without further notice.

Sd/-  
MEMBER SECRETARY

To  
M/s. Brundavan Laboratories (P) Ltd.,  
Yellagiri (V), Choutuppal (M),  
Yadadri Bhauangiri District.

//T.C.F.B.O//

*Prasanna*  
Senior Environmental Engineer  
(TF, UH-IV)

Recd on 23/06/2023  
At 15:30pm.

*Mark*  
23/06/23.



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**HIGH COURT FOR THE STATE OF TELANGANA  
AT HYDERABAD**

WEDNESDAY, THE TWENTY SIXTH DAY OF JULY  
TWO THOUSAND AND TWENTY THREE

**:PRESENT:  
THE HONOURABLE THE CHIEF JUSTICE ALOK ARADHE  
AND  
THE HONOURABLE SRI JUSTICE T.VINOD KUMAR**

**WRIT PETITION NO: 19039 OF 2023**

**Between:**

M/s Brundavan Laboratories Pvt. Ltd, Survey No.60, 61 and 62, Yallagiri (V),  
Choutuppal (M), Yadadri Bhuvangiri District, Represented by G.Ramaiah,  
Managing Director, Ski Venkatappa Naidu, Age. 68years,

**Petitioner**

**AND**

1. State of Telangana, represented by Principal Secretary, Commerce Industries Department, Secretariat, Hyderabad.
2. The Telangana State Pollution Control Board, Ltd, represented by its Chairman, A-3, Industrial Estate, Sanath Nagar, Hyderabad-500018 .
3. The Member Secretary, Telangana State Pollution Control Board, Ltd. represented by its Chairman, A-3, Industrial Estate, Sanath Nagar, Hyderabad-500018.

**Respondents**

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue Writ, Order or Orders, Direction or Directions more particularly one in the nature of Writ of mandamus declaring the Order dated 20-06-2023 vide Letter No. NLG-50/TSPCB/TF/H0/2023-440 directing to deposit an amount of Rs.45,00,000/- towards Environmental Compensation within 15 days without giving any notice as arbitrary and irregular, contrary to law, unjust, colourable exercise of powers and violation of principles of natural justice, without power and jurisdiction and set aside the same and consequently direct the respondents not to harass the petitioner.

**IA NO: 1 OF 2023**

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend vide Letter No. 20-06-2023 vide Letter No. NLG-50/TSPCB/TF/H0/2023-440 directing to deposit an amount of Rs.45,00,000/- towards Environmental Compensation within 15 days without giving any notice Pending disposal of WP 19039 of 2023, on the file of the High Court.

The petition coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and upon hearing the arguments of Ms Monica P Pole, appearing for Sri P SUBASH, Advocate for the Petitioner, GP FOR

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INDUSTRIES COMMERCE, for the Respondent No.1 and Sri Pranav, SC for the Respondent Nos.2 & 3 and the Court made the following.

**ORDER**

**Ms. Monica P.Pole, learned counsel representing Mr. P.Subash, learned counsel for the petitioner.**

**Mr. Pranav, learned counsel for respondent Nos.2 and 3.**

**Learned counsel for the petitioner submits that writ petition involving similar issues have already been entertained by a Division Bench of this Court and an ad-interim order has been granted.**

**In support of the aforesaid submission, learned counsel for the petitioner produced a copy of the order dated 06.07.2023 passed by a Division Bench of this Court in W.P.No.17179 of 2023.**

**The aforesaid aspect is not disputed by learned counsel for respondent Nos.2 and 3.**

**In view of aforesaid submission and with a view to maintain parity, there shall be interim stay of the order dated 20.06.2023.**

**List for analogous hearing along with W.P.No.17179 of 2023.**

**SD/- K. SREERAMA MURTHY  
ASSISTANT REGISTRAR**

**//TRUE COPY//**

**SECTION OFFICER**

To,

1. The Principal Secretary, Commerce Industries Department, State of Telangana, Secretariat, Hyderabad.
2. The Chairman, Telangana State Pollution Control Board, Ltd, A-3, Industrial Estate, Sanath Nagar, Hyderabad-500018.
3. The Member Secretary, Telangana State Pollution Control Board, Ltd. represented by its Chairman, A-3, Industrial Estate, Sanath Nagar, Hyderabad-500018. ( for 1 to 3 by RPAD)
4. One CC to SRI. P SUBASH Advocate [OPUC]
5. Two CCs to GP FOR INDUSTRIES COMMERCE High Court at Hyderabad. [OUT]
6. Two spare copies.

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HIGH COURT

H-CJ (AAJ)  
&  
TVKJ

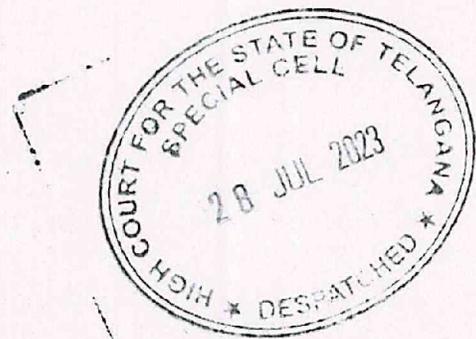
DATED:26/07/2023

LIST ALONG WITH  
WP.No.17179 of 2023

ORDER

WP.No.19039 of 2023

STAY





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Annexure - III

**THE HON'BLE THE CHIEF JUSTICE ALOK ARADHE**

**AND**

**THE HON'BLE SRI JUSTICE T.VINOD KUMAR**

**WRIT PETITION No.19039 of 2023**

**ORDER:** *(Per the Hon'ble the Chief Justice Alok Aradhe)*

Mr. P.Subash, learned counsel for the petitioner.

Mr. Kondaparthi Srinivas, learned Government Pleader for Industries and Commerce Department for respondent No.1.

Mr. Pranav Munigela, learned Additional Standing Counsel for respondent Nos.2 and 3.

2. The petitioner which is a bulk drug and intermediate drug manufacturing company in this petition has assailed the validity of the composite order dated 20.06.2023 *vide* No.NLG-50/TSPCB/TF/HO/2023-440 passed by the Telangana State Pollution Control Board (briefly referred to hereinafter as 'the Board') in exercise of powers under Section 33A of the Water (Prevention and Control of Pollution) Act, 1974 (briefly referred to hereinafter as 'the Water Act') and Section

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31A of the Air (Prevention and Control of Pollution) Act, 1981 (briefly referred to hereinafter as 'the Air Act').

3. For the reasons assigned by us by a separate order dated 08.08.2023 passed in W.P.No.17179 of 2023, the composite order dated 21.06.2023 *vide* No.NLG-48-TSPCB/TF/HO/2023-441 passed by the Board is quashed and set aside and the operative portion of the order reads as under:

"12. For the afore-mentioned reasons, order dated 21.06.2023 passed by the Board cannot be sustained in the eye of law. Accordingly, it is quashed and set aside. The matter is remitted to the Board to consider the grounds taken by the petitioner in the explanation dated 02.06.2023. Needless to state that the Board shall also consider the fact that consent for operation was granted to the petitioner on 08.02.2023 as well as the fact that the petitioner was not a party to the order dated 17.01.2023 passed by National Green Tribunal in O.A.No.97 of 2021. The Board shall afford an opportunity of hearing to the petitioner and shall by a speaking order conclude the proceeding initiated in pursuance to show cause notice dated 22.05.2023. It is made clear that this Court has not expressed any opinion on merits of the matter."

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4. Accordingly, the Writ Petition is disposed of. There shall be no order as to costs.

As a sequel, miscellaneous applications pending, if any, in this Writ Petition, shall stand closed.

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**ALOK ARADHE, CJ**

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**T. VINOD KUMAR, J**

Date: 08.08.2023

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