

BEFORE THE HON'BLE NATIONAL GREEN TRIBUNAL SOUTH ZONE,  
CHENNAI

ORIGINAL APPLICATION NO.155 OF 2024 (SZ)  
[Earlier O.A No. 367 of 2024 (PB)]

IN THE MATTER OF:

Suo Motu based on the news item  
Appearing in "The Hindu" dated 04.04.2024  
titled, "4 Killed in blast at drug  
Manufacturing unit in Telangana".

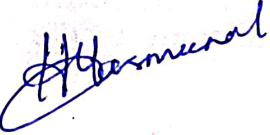
With


Telangana State Pollution Control Board  
Through its Member Secretary  
Hyderabad, Telangana and Others.

REPORT OF DISTRICT COLLECTOR, SANGAREDDY (R-2)

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STANDING COUNSEL FOR <sup>4</sup> RESPONDENT

  
District Collector,  
Sangareddy  
**COLLECTOR**  
SANGAREDDY DISTRICT.

PLACE : Chennai  
DATE : 06.02.2025

**::1::**

**Report on O.A.No. 155 of 2024 before the Hon'ble National Green Tribunal, (SZ) at Chennai on SB Organics, Chandapur.**

It is humbly submitted that, the Hon'ble National Green Tribunal, Principal Bench at New Delhi has taken up suo-motu case in O.A.No.367/2024 with regard to the News Item Published in "The Hindu" News Paper on 04.04.2024 on blast occurred at the S.B.Organics Factory at Chandapur Village of Hathnoora Mandal of Sangareddy District in Telangana on 03.03.2024 in which 4 persons died and 21 injured. The Hon'ble National Green Tribunal (Principal Bench), New Delhi in its order on 08.04.2024, while transferring the case to Hon'ble National Green Tribunal (SZ), Chennai, implead the District Collector, Sangareddy as a Party and directed to file report.

Further, the Hon'ble NGT, Southern Bench, Chennai vide order dated 18.09.2024 has ordered as follows and posted the case for hearing on 28.11.2024.

**"The District Collector - Sangareddy District and the Telangana State Pollution Control Board are directed to file a further report regarding the actual pollution caused due to the blast and the particulars about the environmental compensation issued to the Project Proponent, though as on date it is stated that the company is closed."**

It is humbly submitted that, the Environmental Engineer, TG Pollution Control Board, Regional Office-I, Sangareddy stated that, M/s. S.B. Organics Ltd., is located at Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District and involved in production of Guanidine Nitrate and Guanidine Carbonate.

The industry has obtained CFO renewal from the Board vide order dated 21.06.2021 with validity up to 31.07.2026 for manufacturing of Guanidine Nitrate - 4,000 Kg/day in Group-A and Guanidine Nitrate - 2,500 Kg/day & Guanidine Carbonate - 1,500 Kg/day in Group-B with a condition that, either Group-A or Group-B shall be manufactured at any point of time. The industry produces Potassium Nitrate-1.9 TPD as a by-product.

Earlier, a complaint was received on 17.10.2022 against the water pollution caused by the industry. The Board officials inspected the industry on 21.10.2022 and a notice was issued to the industry on 31.10.2022. The Board reviewed the compliance status of the industry and issued directions to the industry vide dated: 20.03.2024.

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District Collector,  
Sangareddy  
**COLLECTOR**  
**SANGAREDDY DISTRICT**

On 03.04.2024 around 6:00 PM an explosion occurred in the industry and resulted in fire. The explosion resulted in 6 deaths and about 18 members were injured who were treated in various hospitals.

Further, after the blast, the water and the soil was contaminated due to spillages and leakage of chemicals/effluents. In this regard, the industry has lifted 20 KL of waste water to Common Effluent Treatment Plant (CETP), Patancheru on 04.05.2024 for further treatment. The industry has also sent 16.39 MT of contaminated soil and Process sludge of 12.46 MT to the Treatment, Storage and Disposal Facility (TSDF), Dundigal, Medchal-Malkajgiri District for Treatment, Storage and Disposal on 10.05.2024 and the industry has lifted contaminated water to Common Effluent Treatment Plant (CETP), Patancheru till 03.06.2024.

The status of the industry was reviewed before the Task Force Committee comprising of expert members and as per the recommendations of the committee the Board issued Closure order to the industry vide order date: 27.04.2024 for not taking safety measures for prevention of accident and causing pollution in the surrounding area due to accident (**Annexure - I**).

In compliance to the Hon'ble NGT directions with regard to levy of Environmental Compensation, the issue was placed in the Task Force Committee meeting comprising of expert members on 22.11.2024 which was attended by representative of the industry. As per the recommendations of the committee the Board vide order dated: 22.11.2024 has levied Environmental Compensation (EC) of Rs. 31,00,000/- after giving prior opportunity of hearing to the industry (**Annexure - II**).

1. The details of calculation of Environmental Compensation (EC) is as follows:

Environmental Compensation (EC) =  $P_i \times N \times R \times S \times L_f$

Where

- P<sub>i</sub> - 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<sub>f</sub> - Location factor



District Collector,

Sangareddy

**COLLECTOR**

**SANGAREDDY DISTRICT.**

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2. **Pollution index of industrial sector (Pi):** The Telangana Pollution Control Board categorized the industry into '**Red**' category (Synthetic Organic Chemicals). For '**Red**' category of industries, average pollution index is 80. **Thus Pi is considered as 80 in the EC estimation for this industry.**
3. **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 submitted as below:

Initial date of observation of violation	03.04.2024
Last Date of sending of contaminated water to M/s. PETL	03.06.2024
No. of days of violation (03.04.2024 to 03.06.2024)	62 Days

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 but maximum value of 500 was considered owing to severity of the accident as environmental compensation in case of violation. Hence, **Factor in Rupees (R) for EC estimation is considered as 500.**

5. **Scale of operation (S):**

S.No	Name of the industry	Small / Medium / Large	Scale of operation (S).
i.	M/s. S.B. Organics Ltd., Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District (Gross Block/Fixed assets: Rs. 11.49 Crores)	Medium	1.0
<p>➤ As per the website of Ministry of Micro, Small- &amp; Medium Enterprises, units with investment up to Rs. 10 Crore and turnover up to Rs. 50 Crore shall be considered as Small Category; units with investment up to Rs. 50 Crores and turnover up to Rs. 250 Crore shall be considered as Medium Category.</p> <p>➤ Turnover of the industry is not considered for above calculation.</p>			

  
 District Collector,  
 Sangareddy  
**COLLECTOR**  
 SANGAREDDY DISTRICT.

- 6 **Location Factor (LF):** The industry is located in Chandapur (V), Hatnoora (M), Sangareddy District and the unit is located within 10Km radius from the Municipal Limits of Sangareddy Municipality and the population of Sangareddy town as per 2011 census is 15,27,628 people. **Thus location factor (LF) is considered as 1.25 for EC estimation.**

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

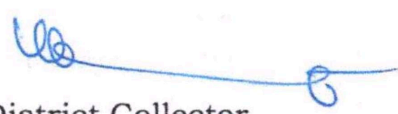
$$\begin{aligned} \text{➤ Environmental Compensation(EC)} &= P \times N \times R \times S \times LF \\ &= 80 \times 62 \times 500 \times 1.0 \times 1.25 \\ &= \text{Rs. 31,00,000/-} \end{aligned}$$

Accordingly, as per the directions issued by the Board, the industry has paid the levied Environmental Compensation of Rs. 31,00,000/- on 25.11.2024. **(Annexure - III).**

The Deputy Commissioner of Labour, Sangareddy District, has reported that the management paid expenses for the treatment of (12) injured persons, along with full wages during the period of treatment and rest period, there in as advised by the Doctors.

Further, reported that there is no permanent disablement is reported from any of the injured employees so far, since, the percentage of permanent disability certificate is mandatory to assess the compensation as per the Employees Compensation Act.

Place: Sangareddy  
Date: 27.11.2024

  
District Collector,  
Sangareddy  
**COLLECTOR**  
**SANGAREDDY DISTRICT.**

**REPORT OF THE TELANGANA POLLUTION CONTROL BOARD (RESPONDENT NO.1) IN  
OA No. 155 OF 2024.**

It is to submit that an Original Application (OA) was registered  *suo motu*  based on the news item title "4 killed in blast at drug manufacturing unit in Telangana" appeared on "The Hindu" dated 04.04.2024. The news article relates to blast at M/s. SB Organics Limited, a bulk drug manufacturing unit located at Hatnoora (M), Medak (D); the blast resulted in the death of 4 people and injury to 21 persons.

The Hon'ble NGT, Southern Bench, Chennai vide order dated 18.09.2024 has ordered as follows and posted the case for hearing on 28.11.2024:

***"The District Collector – Sangareddy District and the Telangana State Pollution Control Board are directed to file a further report regarding the actual pollution caused due to the blast and the particulars about the environmental compensation issued to the Project Proponent, though as on date it is stated that the company is closed."***

**In this regard following is submitted: -**

1. It is to submit that M/s. S.B. Organics Ltd., is located at Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District and involved in production of Guanidine Nitrate and Guanidine Carbonate.
2. The industry has obtained CFO renewal from the Board vide order dated 21.06.2021 with validity up to 31.07.2026 for manufacturing of Guanidine Nitrate - 4,000 Kg/day in Group-A and Guanidine Nitrate - 2,500 Kg/day & Guanidine Carbonate - 1,500 Kg/day in Group-B with a condition that, either Group-A or Group-B shall be manufactured at any point of time. The industry produces Potassium Nitrate- 1.9 TPD as a by-product.
3. Earlier, a complaint was received on 17.10.2022 against the water pollution caused by the industry. The Board officials inspected the industry on 21.10.2022 and a notice was issued to the industry on 31.10.2022. The Board reviewed the compliance status of the industry and issued directions to the industry vide order dated 20.03.2023.
4. On 03.04.2024 around 6:00 PM an explosion occurred in the industry and resulted in fire. The explosion resulted in 6 deaths and about 18 members were injured who were treated in various hospitals.
5. After the blast, the water and the soil was contaminated due to spillages and leakage of chemicals/effluents. In this regard, the Industry has lifted 20 KL of waste water to Common Effluent Treatment Plant (CETP), Patancheru on 04.05.2024 for further treatment. The industry has also sent 16.39 MT of contaminated soil and Process sludge of 12.46 MT to the Treatment, Storage and Disposal Facility (TSDF), Dundigal, Medchal-Malkajgiri District for Treatment, Storage and Disposal on 10.05.2024. Further, the industry has also lifted contaminated water to Common Effluent Treatment Plant (CETP), Patancheru till 03.06.2024.

6. The status of the industry was reviewed before the Task Force Committee comprising of expert members and as per the recommendations of the Committee, the Board issued Closure order to the industry vide order dated 27.04.2024 for not taking safety measures for prevention of accident and causing pollution in the surrounding area due to accident **(Annexure-I)**.
7. In compliance to the Hon'ble NGT directions with regard to levy of Environmental Compensation, the issue was placed in the Task Force committee meeting comprising of expert members on 22.11.2024 which was attended by the representative of the industry. As per the recommendations of the committee the Board vide order dated 22.11.2024 has levied Environmental Compensation (EC) of Rs. 31,00,000/-after giving prior opportunity of hearing to the industry.**(Annexure-II)**.
8. The details of the calculation of Environmental Compensation is as follows:

$$\text{Environmental Compensation (EC)} = P_I \times N \times R \times S \times L_F$$

Where

$P_I$  – 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

- a. **Pollution index of industrial sector (PI)**: The Telangana Pollution Control Board categorized the Industry into 'Red' category (Synthetic Organic Chemicals). For 'Red' category of industries, average pollution Index is 80. Thus  $P_I$  is considered as 80 in the EC estimation for this industry.
- b. **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 submitted as below:

Initial date of observation of violation	03.04.2024
Last Date of sending of contaminated water to M/s. PETL	03.06.2024
No. of days of violation (03.04.2024 to 03.06.2024)	62 Days

- c. **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 but maximum value of 500 was considered owing to severity of the accident as environmental compensation in case of violation. Hence, **Factor in Rupees (R) for EC estimation is considered as 500.**

- d. **Scale of operation (S)**:

S. No	Name of the industry	Small / Medium / Large	Scale of operation (S).
i.	M/s. S.B. Organics Ltd., Sy.No.252 & 253, Chandapur (V), Hatnora (M),	Medium	1.0

S. No	Name of the industry	Small / Medium / Large	Scale of operation (S).
	Sangareddy District (Gross Block/Fixed assets: Rs. 11.49 Crores)		
<p>➤ As per the website of Ministry of Micro, Small &amp; Medium Enterprises, units with investment up to Rs. 10 Crore and turnover up to Rs. 50 Crore shall be considered as Small Category; units with investment up to Rs. 50 Crores and turnover up to Rs. 250 Crore shall be considered as Medium Category.</p> <p>➤ Turnover of the industry is not considered for above calculation.</p>			

- e. **Location Factor (LF):** The industry is located in Chandapur (V), Hatnoora (M), Sangareddy District and the unit is located within 10Km radius from the Municipal Limits of Sangareddy Municipality and the population of Sangareddy town as per 2011 census is 15,27,628 people. Thus location factor (LF) is considered as 1.25 for EC estimation.

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

$$\begin{aligned}
 \text{➤ Environmental Compensation (EC)} &= P_f \times N \times R \times S \times L_f \\
 &= 80 \times 62 \times 500 \times 1.0 \times 1.25 \\
 &= \text{Rs. 31,00,000/-}
 \end{aligned}$$

9. As per the directions issued by the Board, the industry has paid the levied Environmental Compensation of Rs. 31,00,000/- on 25.11.2024. (Annexure-III)

Place: Sangareddy.

Date: 26-11-2024

*C. P. B.*  
ENVIRONMENTAL ENGINEER

Environmental Engineer  
T.G. Pollution Control Board  
Regional Office-1, SANGAREDDY.



# TELANGANA STATE POLLUTION CONTROL BOARD

Paryavarana Bhavan, A-III, Industrial Estate, Sanathnagar, Hyderabad-500 018  
Phones : 040-23887500 Fax: 040 - 23887519

Annexure - I

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

**Order No.SRD-155/TSPCB/TF/HO/2024- 254**

**Dt:27.04.2024**

**UNDER WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974 (AS AMENDED BY ACT 53 OF 1988)**

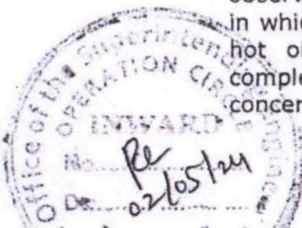
**Sub :** TSPCB - M/s. S. B. Organics Ltd., Sy. No. 252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District - Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988) - **CLOSURE ORDERS - ISSUED** - Reg.

**Ref :**

1. CFO & HWA Order dated: 21.06.2021, with validity up to 31.07.2026.
2. Directions Order No.SRD-155/TSPCB/TF/HO/2023-2118, Date: 20.03.2023.
3. Fire accident occurred on 03.04.2024 around 04:30 PM.
4. An OA.No.367 of 2024 is registered Suo Motu on the basis of news item title "4 killed in the blast at drug manufacturing unit in Telangana appearing in "The Hindu" dated:04.04.2024.
5. Inspection of the industry by the Board Officials on 03.04.2024 & 04.04.2024.
6. Hearing held on 26.04.2024.

\* \* \* \* \*

1. **WHEREAS**, you are operating the industry is located at Sy. No.352 & 353, Chandapur (V), Hatnoora (M), Sangareddy District and is engaged in manufacture of Guanidine Nitrate & Guanidine Carbonate.
2. **WHEREAS**, vide reference 1<sup>st</sup> cited, the Board issued CFO & HWA vide order on 21.06.2021 with validity up to 31.07.2026 for manufacturing Guanidine Nitrate-4,000 Kgs/day in Group-A and Guanidine Nitrate - 2,500 Kgs/day & Guanidine Carbonate - 1,500 Kgs/day with a condition that either Group-A or Group-B shall be manufactured at any point of time. The industry produces Potassium Nitrate- 1.9 TPD as a by-product.
3. **WHEREAS**, vide reference 2<sup>nd</sup> cited, the Board issued directions to the industry on 20.03.2023 in connection with complaints.
4. **WHEREAS**, vide reference 3<sup>rd</sup> cited, the RO-Sangareddy received a telephonic call on 03.04.2024 around 6:00 PM from the Sangareddy District Administration regarding the explosion occurred in M/s. SB Organics and the TSPCB officials went to the site by 7:00 PM and it was reported that a reactor was exploded around 4:30 PM which resulted in fire. The fire tenders reached the spot by 4:45 PM and started dousing the fire resulted from the explosion.
5. **WHEREAS**, vide reference 4<sup>th</sup> cited, an OA.No.367 of 2024 is registered Suo Motu on the basis of news item title "4 killed in the blast at drug manufacturing unit in Telangana appearing in "The Hindu" dated:04.04.2024. The case was posted for hearing on 14.05.2024.
6. **WHEREAS**, vide reference 5<sup>th</sup> cited, the RO-Sangareddy Officials inspected the industry on 03.04.2024 & 04.04.2024 and observed the following:
  1. During the inspection on 03.04.2024, it was found that the hot oil leaked from the jacket of the reactor came in contact with reaction mixture Guanidine Nitrate (which involves raw material like weak nitric acid, 2-cyanoguanidine and ammonium nitrate) which resulted in severe explosion followed by fire.
  2. The fire was controlled by the Telangana State Fire Department by deploying 6 No's of fire tenders and with the help of surrounding industries by deploying their water tankers. The fire was doused around 9 PM on 03.04.2024.
  3. The officials again inspected the unit on the next day i.e., 04.04.2024 and it was observed that fumes were still emanating from the debris. The production block in which the explosion took place along with the thermic fluid heaters (2 No's), hot oil generator (1 No), final goods storage shed, security room were completely damaged. The surrounding production blocks and two other sister concern units of the industry were structurally damaged.



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4. The shockwave resulted from the explosion was felt within 3 km radius from the place of explosion. The glass windows, false ceilings and roofs of the surrounding buildings/industries within 200-300m radius were shattered / damaged because of the shockwave from the explosion.
  5. During inspection on 04.04.2024, no representative of the industry was present in the premises of the industry. It was observed that part of the fire fighting water mixed with the chemicals during the accident reached the first cut rain water and part of the water was stagnated near the accident site.
  6. Around 128 MT of 2-cyanoguanidine (raw material for Guanidine Nitrate) was observed in the industry premises which was partly damaged in the explosion. Along with this 48 MT of Guanidine nitrate, 11 MT of Guanidine Carbonate, 30 MT of Technical Grade Urea, 1.4 MT of Recovered Ammonium Nitrate Salt and 28 MT of Nitric Acid (2 x 20 KL tanks and 1x15 KL tank) was present in the industry. No damage occurred to the above products and is present in the collapsed sheds. No damaged occurred to the nitric acid tanks and effluent storage tank.
  7. The RO officials directed the industry to collect the waste water generated during fire fighting and dispose to M/s CETP for further treatment & the top soil along with the waste in the plant premises to M/s TSDF / Cement industries and submit copy of manifest details.
  8. The representative of the industry also informed that they will dispose the waste water to M/s. PETL and informed that that they will remove the top soil of the premises and process sludge - 5 MT and dispose to TSDF along with the any hazardous waste/debris.
  9. The accident resulted in 6 casualties and about 18 members were injured.
7. **WHEREAS**, vide reference 6<sup>th</sup> cited, you were given an opportunity for hearing before the Task Force Committee meeting held on 26.04.2024. The industry representative and RO-Sangareddy Officials have attended the meeting.
- I. The Committee noted the following :
    1. The fire accident was occurred in M/s. SB Organics and the TSPCB officials went to the site by 7:00 PM and it was reported that a reactor was exploded around 4:30 PM which resulted in fire. The fire tenders reached the spot by 4:45 PM and started dousing the fire resulted from the explosion.
    2. The accident resulted in 6 casualties and about 18 members were injured.
    3. The RO officials directed the industry to collect the waste water generated during fire fighting and dispose to M/s CETP for further treatment & the top soil along with the waste in the plant premises to M/s TSDF / Cement industries and submit copy of manifest details.
    4. The representative of the industry also informed that they will dispose the waste water to M/s. PETL and informed that that they will remove the top soil of the premises and process sludge - 5 MT and dispose to TSDF along with the any hazardous waste/debris.
    5. An OA.No.367 of 2024 is registered Suo Motu on the basis of news item title "4 killed in the blast at drug manufacturing unit in Telangana appearing in "The Hindu" dated:04.04.2024. The case was posted for hearing on 14.05.2024.
  - II. The industry representative informed that, they received prohibition order from Factories Department, they stored about 15 KL of contaminated waste water generated during the fire accident in FRP tank and the same will be sent to CETP within two days. They also generated debris & contaminated soil and the same will be sent to TSDF within one month.
- After detailed discussions, the Committee recommended to issue Closure Orders to your industry for not taking proper safety measures and not complying with consent conditions and causing air and water pollution in the surrounding areas.
8. **WHEREAS**, after careful consideration of the material facts of the case, the Board **hereby issues Closure Orders to your industry** for not taking proper safety measures and not complying with consent conditions & directions issued by the Board and causing air and water pollution in the surrounding areas.

- 9. After careful consideration of material facts of the case, the Board is of the firm opinion that, the industry has not taken safety measures for prevention of accident, not complying with the consent conditions / directions issued by the Board and causing pollution in the surrounding area. Under the Powers vested with the T.S. Pollution Control Board under Section 33(A) of Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988) and for the reasons stated above, the **Board hereby issues closure orders to the industry** in the interest of protecting public health and environment.
- 10. You are directed to take note that the TSSPDCL has been ordered to disconnect the Power Supply to your industry with immediate effect. If you continue to operate your industry even after receipt of this orders, you may be liable for prosecution in the court of Metropolitan Magistrate or Judicial Magistrate of the first class under section 41(2) of Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988), the punishment for which includes imprisonment for a term which shall not be less than one year and six months which may extend to six years and with fine.

**Sd/-**  
**MEMBER SECRETARY**

**To**  
**M/s. S. B. Organics Ltd.,**  
**Sy. No. 252 & 253, Chandapur (V),**  
**Hatnoora (M), Sangareddy District.**

**Copy to :**

- 1. The District Collector, Sangareddy District for favour of information.
- 2. The Superintending Engineer (Operations), Sangareddy District for favour of information.
- 3. The JCEE, ZO, RC Puram for information and necessary action.
- 4. The EE, RO-Sangareddy for information and necessary action.
- 5. Concerned file.

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

*P. Pranna*

**Senior Environmental Engineer**  
**(Task Force, UH-IV)**



# TELANGANA STATE POLLUTION CONTROL BOARD

Paryavarana Bhavan, A-III, Industrial Estate, Sanathnagar, Hyderabad-500 018  
Phones : 040-23887500 Fax: 040 - 23887519

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

**Order No.SRD-155/TSPCB/TF/HO/2024- 253**

**Dt:27.04.2024**

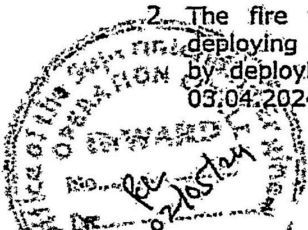
**ORDERS ISSUED UNDER AIR (PREVENTION AND CONTROL OF POLLUTION) ACT  
1981 (AS AMENDED BY ACT 47 OF 1987)**

**Sub :** TSPCB - M/s. S. B. Organics Ltd., Sy. No. 252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District - Air (Prevention and Control of Pollution) Act 1981 (as amended by Act 47 of 1987) - **CLOSURE ORDERS - ISSUED** - Reg.

- Ref :**
1. CFO & HWA Order dated: 21.06.2021, with validity up to 31.07.2026.
  2. Directions Order No.SRD-155/TSPCB/TF/HO/2023-2118, Date: 20.03.2023.
  3. Fire accident occurred on 03.04.2024 around 04:30 PM.
  4. An OA.No.367 of 2024 is registered Suo Motu on the basis of news item title "4 killed in the blast at drug manufacturing unit in Telangana appearing in "The Hindu" dated:04.04.2024.
  5. Inspection of the industry by the Board Officials on 03.04.2024 & 04.04.2024.
  6. Hearing held on 26.04.2024.

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1. **WHEREAS**, you are operating the industry is located at Sy. No.352 & 353, Chandapur (V), Hatnoora (M), Sangareddy District and is engaged in manufacture of Guanidine Nitrate & Guanidine Carbonate.
2. **WHEREAS**, vide reference 1<sup>st</sup> cited, the Board issued CFO & HWA vide order on 21.06.2021 with validity up to 31.07.2026 for manufacturing Guanidine Nitrate-4,000 Kgs/day in Group-A and Guanidine Nitrate - 2,500 Kgs/day & Guanidine Carbonate - 1,500 Kgs/day with a condition that either Group-A or Group-B shall be manufactured at any point of time. The industry produces Potassium Nitrate- 1.9 TPD as a by-product.
3. **WHEREAS**, vide reference 2<sup>nd</sup> cited, the Board issued directions to the industry on 20.03.2023 in connection with complaints.
4. **WHEREAS**, vide reference 3<sup>rd</sup> cited, the RO-Sangareddy received a telephonic call on 03.04.2024 around 6:00 PM from the Sangareddy District Administration regarding the explosion occurred in M/s. SB Organics and the TSPCB officials went to the site by 7:00 PM and it was reported that a reactor was exploded around 4:30 PM which resulted in fire. The fire tenders reached the spot by 4:45 PM and started dousing the fire resulted from the explosion.
5. **WHEREAS**, vide reference 4<sup>th</sup> cited, an OA.No.367 of 2024 is registered Suo Motu on the basis of news item title "4 killed in the blast at drug manufacturing unit in Telangana appearing in "The Hindu" dated:04.04.2024. The case was posted for hearing on 14.05.2024.
6. **WHEREAS**, vide reference 5<sup>th</sup> cited, the RO-Sangareddy Officials inspected the industry on 03.04.2024 & 04.04.2024 and observed the following:
  1. During the inspection on 03.04.2024, it was found that the hot oil leaked from the jacket of the reactor came in contact with reaction mixture Guanidine Nitrate (which involves raw material like weak nitric acid, 2-cyanoguanidine and ammonium nitrate) which resulted in severe explosion followed by fire.
  2. The fire was controlled by the Telangana State Fire Department by deploying 6 No's of fire tenders and with the help of surrounding industries by deploying their water tankers. The fire was doused around 9 PM on 03.04.2024.



- 2
3. The officials again inspected the unit on the next day i.e., 04.04.2024 and it was observed that fumes were still emanating from the debris. The production block in which the explosion took place along with the thermic fluid heaters (2 No's), hot oil generator (1 No), final goods storage shed, security room were completely damaged. The surrounding production blocks and two other sister concern units of the industry were structurally damaged.
  4. The shockwave resulted from the explosion was felt within 3 km radius from the place of explosion. The glass windows, false ceilings and roofs of the surrounding buildings/industries within 200-300m radius were shattered / damaged because of the shockwave from the explosion.
  5. During inspection on 04.04.2024, no representative of the industry was present in the premises of the industry. It was observed that part of the fire fighting water mixed with the chemicals during the accident reached the first cut rain water and part of the water was stagnated near the accident site.
  6. Around 128 MT of 2-cyanoguanidine (raw material for Guanidine Nitrate) was observed in the industry premises which was partly damaged in the explosion. Along with this 48 MT of Guanidine nitrate, 11 MT of Guanidine Carbonate, 30 MT of Technical Grade Urea, 1.4 MT of Recovered Ammonium Nitrate Salt and 28 MT of Nitric Acid (2 x 20 KL tanks and 1x15 KL tank) was present in the industry. No damage occurred to the above products and is present in the collapsed sheds. No damage occurred to the nitric acid tanks and effluent storage tank.
  7. The RO officials directed the industry to collect the waste water generated during fire fighting and dispose to M/s CETP for further treatment & the top soil along with the waste in the plant premises to M/s TSDF / Cement industries and submit copy of manifest details.
  8. The representative of the industry also informed that they will dispose the waste water to M/s. PETL and informed that that they will remove the top soil of the premises and process sludge - 5 MT and dispose to TSDF along with the any hazardous waste/debris.
  9. The accident resulted in 6 casualties and about 18 members were injured.
7. **WHEREAS**, vide reference 6<sup>th</sup> cited, you were given an opportunity for hearing before the Task Force Committee meeting held on 26.04.2024. The industry representative and RO-Sangareddy Officials have attended the meeting.
- I. The Committee noted the following :
    1. The fire accident was occurred in M/s. SB Organics and the TSPCB officials went to the site by 7:00 PM and it was reported that a reactor was exploded around 4:30 PM which resulted in fire. The fire tenders reached the spot by 4:45 PM and started dousing the fire resulted from the explosion.
    2. The accident resulted in 6 casualties and about 18 members were injured.
    3. The RO officials directed the industry to collect the waste water generated during fire fighting and dispose to M/s CETP for further treatment & the top soil along with the waste in the plant premises to M/s TSDF / Cement industries and submit copy of manifest details.
    4. The representative of the industry also informed that they will dispose the waste water to M/s. PETL and informed that that they will remove the top soil of the premises and process sludge - 5 MT and dispose to TSDF along with the any hazardous waste/debris.
    5. An OA.No.367 of 2024 is registered Suo Motu on the basis of news item title "4 killed in the blast at drug manufacturing unit in Telangana appearing in "The Hindu" dated:04.04.2024. The case was posted for hearing on 14.05.2024.
  - II. The industry representative informed that, they received prohibition order from Factories Department, they stored about 15 KL of contaminated waste water generated during the fire accident in FRP tank and the same will be sent to CETP within two days. They also generated debris & contaminated soil and the same will be sent to TSDF within one month.

After detailed discussions, the Committee recommended to issue Closure Orders to your industry for not taking proper safety measures and not complying with consent conditions and causing air and water pollution in the surrounding areas.

- 13
8. **WHEREAS**, after careful consideration of the material facts of the case, the Board hereby issues Closure Orders to your industry for not taking proper safety measures and not complying with consent conditions & directions issued by the Board and causing air and water pollution in the surrounding areas.
9. **WHEREAS**, after careful consideration of the material facts of the case, the Board hereby issues Closure Orders to your industry for not taken proper safety measures and not complying with consent conditions and causing air and water pollution in the surrounding areas. In view of the above, after careful consideration of material facts of the case, the Board is of the firm opinion that the industry has not taken safety measures for prevention of accident, not complying with the consent conditions / directions issued by the Board and causing pollution in the surrounding area. Under the Powers vested with the T.S. Pollution Control Board under Section 31 (A) of the Air (Prevention and Control of Pollution) Act 1981 (as amended by Act 47 of 1987) and for the reasons stated above, the Board hereby issues closure orders to the industry in the interest of protecting public health and environment.
10. You are directed to take note that the TSSPDCL has been ordered to disconnect the Power Supply to your industry with immediate effect. If you continue to operate your industry even after receipt of this orders, you may be liable for prosecution in the court of Metropolitan Magistrate or Judicial Magistrate of the first class under section 37(1) of Air (Prevention and Control of Pollution) Act, 1981 (as amended by Act 47 of 1987), the punishment for which includes imprisonment for a term which shall not be less than one year and six months which may extend to six years and with fine.

Sd/-  
MEMBER SECRETARY

To  
M/s. S. B. Organics Ltd.,  
Sy. No. 252 & 253, Chandapur (V),  
Hatnoora (M), Sangareddy District.

Copy to :

1. The District Collector, Sangareddy District for favour of information.
2. The Superintending Engineer (Operations), Sangareddy District for favour of information.
3. The JCEE, ZO, RC Puram for information and necessary action.
4. The EE, RO - Sangareddy for information and necessary action.
5. Concerned file.

// T. C. E. B. O //

*P. Pralanna*

Senior Environmental Engineer  
(Task Force, UH-IV)



# TELANGANA STATE POLLUTION CONTROL BOARD

Paryavarana Bhavan, A-III, Industrial Estate, Sanathnagar, Hyderabad-500 018

Phones : 040-23887500 Fax: 040 - 23887519

14

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

**Order No.SRD-155/TSPCB/TF/HO/2024-255**

**Dt:27.04.2024**

Sub : TSPCB - - **M/s. S. B. Organics Ltd., Sy. No. 252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District** - Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988) & Air (Prevention and Control of Pollution) Act 1981 (as amended by Act 47 of 1987)- Closure Orders issued - **Disconnection of Power Supply - Orders** - Issued - Reg.

Ref : Order No. SRD-155/TSPCB/TF/HO/2024, Dated:27.04.2024.

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The T.S Pollution Control Board has issued Closure Orders to **M/s. S. B. Organics Ltd., Sy. No. 252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District** for not taken safety measures for prevention of accident, not complying with the consent conditions / directions issued by the Board and causing pollution in the surrounding area under section 33 (A) of the Water (Prevention and Control of Pollution) Amendment Act, 1988 and under section 31(A) of Air (Prevention and Control of Pollution) Amendment Act, 1987. A copy of the closure order is herewith enclosed.

Under the powers vested under Section 33 (A) of the Water (Prevention and Control of Pollution) Amendment Act, 1988 and under section 31(A) of Air (Prevention and Control of Pollution) Amendment Act, 1987 the Southern Power distribution Company of T.S.Ltd. is hereby directed to disconnect the power supply to **M/s. S. B. Organics Ltd., Sy. No. 252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District.**

You are requested to carry out the orders of the Board and report compliance within 48 hours.

Sd/-  
**MEMBER SECRETARY**

To  
**The Superintending Engineer (Operations),  
TSSPDCL, Sangareddy District.**

**Copy to :**

1. The District Collector, Sangareddy District for favour of information.
2. The Managing Chairman & Director, Telangana State Southern Power Distribution Company, Near Secretariat, Hyderabad for information and necessary action.
3. The JCEE, ZO-RC Puram for information and necessary action.
4. The EE, RO-Sangareddy for information and directed to ensure that power supply is disconnected to the above industry and report compliance of the orders within 48 hours.
5. Concerned File.



**T. C. F. B. O**  
*Prasanna*  
**Senior Environmental Engineer  
(Task Force, UH-IV)**



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

**WATER (PREVENTION AND CONTROL OF POLLUTION) ACT, 1974**  
**(AS AMENDED BY ACT 53 OF 1988)**

**Order No.SRD-155/TGPCB/TF/HO/2024-**

**Date:22.11.2024**

**Sub:** TGPCB - M/s. S.B. Organics Ltd., Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District - Causing of damage to the Environment due to operation of the industry - **LEVYING OF ENVIRONMENTAL COMPENSATION** - Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988) - **DIRECTIONS - ORDERS - ISSUED** - Reg.

- Ref:**
1. CFO & HWA Order dated: 21.06.2021, with validity up to 31.07.2026.
  2. Directions Order No.SRD-155/TSPCB/TF/HO/2023-2118, Date: 20.03.2023.
  3. Fire accident occurred on 03.04.2024 around 04:30 PM.
  4. The Hon'ble NGT, Principal Bench has registered an Original Application (OA) suo motu based on the news item title "4 killed in blast at drug manufacturing unit in Telangana" appeared on "The Hindu" dated 04.04.2024.
  5. Closure Order No.SRD-155/TSPCB/TF/HO/2024- Dt:27.04.2024
  6. The Hon'ble NGT, Southern Bench, Chennai registered the transferred Original application with OA No. 155 of 2024.
  7. The Hon'ble NGT, Chennai has passed an order on 18.09.2024.
  8. Show cause Notice Lr. No. HTN029/PCB/RO-I:SRD/2024 Dt. 14.11.2024.
  9. Industry's reply to show cause notice received by this Office on 20.11.2024.
  10. Hearing held on 22.11.2024.

\* \* \*

1. **WHEREAS**, you are operating the industry is located at Sy. No.352 & 353, Chandapur (V), Hatnoora (M), Sangareddy District and is engaged in manufacture of Guanidine Nitrate & Guanidine Carbonate.
2. **WHEREAS**, vide reference 1<sup>st</sup> cited, the Board issued CFO & HWA vide order on 21.06.2021 with validity up to 31.07.2026 for manufacturing Guanidine Nitrate-4,000 Kgs/day in Group-A and Guanidine Nitrate - 2,500 Kgs/day & Guanidine Carbonate - 1,500 Kgs/day with a condition that either Group-A or Group-B shall be manufactured at any point of time. The industry produces Potassium Nitrate- 1.9 TPD as a by-product.
3. **WHEREAS**, vide reference 2<sup>nd</sup> cited, the Board issued directions to the industry on 20.03.2023 in connection with complaints.
4. **WHEREAS**, vide reference 3<sup>rd</sup> cited, the RO-Sangareddy received a telephonic call on 03.04.2024 around 6:00 PM from the Sangareddy District Administration regarding the explosion occurred in M/s. SB Organics and the TSPCB officials went to the site by 7:00 PM and it was reported that a reactor was exploded around 4:30 PM which resulted in fire. The fire tenders reached the spot by 4:45 PM and started dousing the fire resulted from the explosion.
5. **WHEREAS**, vide reference 4<sup>th</sup> cited, the Hon'ble NGT, Principal Bench has registered an Original Application (OA) suo motu based on the news item title "4 killed in blast at drug manufacturing unit in Telangana" appeared on "The Hindu" dated 04.04.2024. The news article relates to blast at M/s. SB Organics Limited, a bulk drug manufacturing unit located at Hatnoora (M), Medak (D); the blast resulted in the death of 4 people and injury to 21 persons. The Hon'ble NGT directed the respondents to submit the response before the Tribunal and transferred the original record of OA to Southern Bench as the subject matter relates to the Southern Bench.

6. **WHEREAS**, vide reference 5<sup>th</sup> cited, the Board issued closure order to the industry for not taken safety measures for prevention of accident, not complying with the consent conditions / directions issued by the Board and causing pollution in the surrounding area.
7. **WHEREAS**, vide reference 6<sup>th</sup> & 7<sup>th</sup> cited, the Hon'ble NGT, Southern Bench, Chennai registered the transferred Original application with OA No. 155 of 2024 and issued the following direction vide order dated 18.09.2024.

"The District Collector - Sangareddy District and the Telangana State Pollution Control Board are directed to file a further report regarding the actual pollution caused due to the blast and the particulars about the environmental compensation issued to the Project Proponent, though as on date it is stated that the company is closed."

8. **WHEREAS**, vide reference 8<sup>th</sup> cited, the RO-Sangareddy submitted a report to the Board Office on 20.11.2024 . The RO, Sangareddy has issued a show cause notice on 14.11.2024 to levy the Environmental Compensation of Rs.31,00,000/- as per Rules. The details of calculation of Environmental Compensation are as follows:

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

$$\text{Environmental Compensation (EC)} = \text{PI} \times \text{N} \times \text{R} \times \text{S} \times \text{LF}$$

Where

- PI - 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  
 LF - Location factor

2. Pollution index of industrial sector (PI): The Telangana Pollution Control Board categorized the industry into 'Red' category (Synthetic Organic Chemicals). For 'Red' category of industries, average pollution index is 80. Thus PI is considered as 80 in the EC estimation for this industry.
3. 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 submitted as below:

Initial date of observation of violation	03.04.2024
Last Date of sending of contaminated water to M/s. PETL	03.06.2024
No. of days of violation (03.04.2024 to 03.06.2024)	62 Days

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 but maximum value of 500 was considered owing to severity of the accident as environmental compensation in case of violation. Hence, Factor in Rupees (R) for EC estimation is considered as 500.

5. Scale of operation (S):

S.No	Name of the industry	Small / Medium / Large	Scale of operation (S).
i.	M/s. S.B. Organics Ltd., Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District. (Gross Block/Fixed assets: Rs. 11.49 Crores)	Medium	1.0
<p>➤ As per the website of Ministry of Micro, Small &amp; Medium Enterprises, units with investment up to Rs. 10 Crore and turnover up to Rs. 50 Crore shall be considered as Small Category; units with investment up to Rs. 50 Crores and turnover up to Rs. 250 Crore shall be considered as Medium Category.</p> <p>➤ Turnover of the industry is not considered for above calculation.</p>			

6. Location Factor (LF): The industry is located in Chandapur (V), Hatnoora (M), Sangareddy District and the unit is located within 10Km radius from the Municipal Limits of Sangareddy Municipality and the population of Sangareddy

town as per 2011 census is 15,27,628 people. Thus location factor (LF) is considered as 1.25 for EC estimation.

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

$$\begin{aligned} > \text{Environmental Compensation (EC)} &= \text{PI} \times \text{N} \times \text{R} \times \text{S} \times \text{LF} \\ &= 80 \times 62 \times 500 \times 1.0 \times 1.25 \\ &= \text{Rs. } 31,00,000/- \end{aligned}$$

9. **WHEREAS**, vide reference 9<sup>th</sup> cited, the industry has submitted a reply to the Show Cause Notice vide letter dated:14.11.2024 and stated that the industry has submitted a reply to the show cause notice stating that the accident occurred on 3rd of April 2024, and the site was completely under the control of the Government authorities. They were not given access to the site and not given clearance for removing any material from the area by the police department till 3rd May 2024 because the period witnessed visits by various government departments (incl. Police Department, Department of Factories, Pollution Control Board, Fire Department, etc.) and collection of multiple samples. In order to maintain integrity of the site conditions, they were instructed to not remove / lift any material from the site. The delay in sending the waste to authorized vendors is purely due to complying with the instructions of the authorities, and not due to negligence on part of the industry. As soon as they received the clearance, they have sent the first tanker to PETL on 4th May 2024 (Manifest No: 722889) followed by two more tankers on 17th May 2024 and on 3rd June 2024. Hence requested to consider the above information about site clearance and reconsider the Environmental Compensation (EC) levied on the company.
10. **WHEREAS**, vide reference 10<sup>th</sup> cited, you were given an opportunity for hearing before the Task Force Committee of the Board during the meeting held on 22.11.2024. The industry representative, RO-Sangareddy Officials have attended the meeting.

I. The Committee noted the following non-compliances:

1. The Hon'ble NGT, Southern Bench, Chennai registered the transferred Original application with OA No. 155 of 2024 and issued the following direction vide order dated 18.09.2024.

"The District Collector - Sangareddy District and the Telangana State Pollution Control Board are directed to file a further report regarding the actual pollution caused due to the blast and the particulars about the environmental compensation issued to the Project Proponent, though as on date it is stated that the company is closed."

2. The Board office vide email dated 13.11.2024 directed the RO-Sangareddy to issue show cause notice to the industry for levying the Environmental Compensation based on the recommendations of in house committee of CPCB on methodology and guidelines for assessment, imposing, collection and utilization of the environmental compensation from the polluting units in the state of Telangana.
3. The RO, Sangareddy issued Show Cause Notice to the industry for Levy of Environmental Compensation (EC) imposing of Rs. 31,00,000/- on 14.11.2024.
4. The industry has submitted a reply dt:20.11.2024 to the show cause notice stating that the accident occurred on 3<sup>rd</sup> of April 2024, and the site was completely under the control of the Government authorities. They were not given access to the site and not given clearance for removing any material from the area by the police department till 3rd May 2024 because the period witnessed visits by various government departments (incl. Police Department, Department of Factories, Pollution Control Board, Fire Department, etc.) and collection of multiple samples. In order to maintain integrity of the site conditions, they were instructed to not remove / lift any material from the site. The delay in sending the waste to authorized vendors is purely due to complying with the instructions of the authorities, and not due to negligence on part of the industry. As soon as they received the clearance, they have sent the first tanker to PETL on 4th May 2024 (Manifest No: 722889) followed by two more

tankers on 17th May 2024 and on 3rd June 2024. Hence requested to consider the above information about site clearance and reconsider the Environmental Compensation (EC) levied on the company.

II. The representative of the industry informed that after the accident, the industry was completely under the control of the Government authorities. They were not given access to the site and not given clearance for removing any material from the area by the police department till 3rd May 2024, because the period witnessed visits by various government departments (incl. Police Department, Department of Factories, Pollution Control Board, Fire Department, etc.) and collection of multiple samples. In order to maintain integrity of the site conditions, they were instructed to not remove / lift any material from the site. The delay in sending the waste to authorized vendors is purely due to complying with the instructions of the authorities, and not due to negligence on part of the industry. Hence, they requested the Board to consider the above information about site clearance and reconsider the Environmental Compensation (EC) levied on the company and requested for time to pay the EC amount.

After detailed discussions, the Committee examined the request of the industry and recommended to levy the Environmental Compensation (EC) amount of Rs.31,00,000/- to the industry.

11. **WHEREAS**, after careful consideration of material facts of the case, the Board hereby directs the industry to deposit an amount of Rs.31,00,000/- (Rupees Thirty One Lakhs Only) towards Environmental Compensation (EC) within 15 days. The amount shall be deposited by way of D.D drawn in favour of "Member Secretary, T.G Pollution Control Board" payable at Hyderabad.

**Further, you are also directed not to start the operations of the industry without obtaining revocation of closure order.**

12. These orders are issued under Section 33(A) of Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988).
13. The above mentioned directives shall be implemented by the industry, failing which legal action will be initiated against your industry under Section 33(A) of Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988), directing closure of the industry in the interest of Public Health and Environment without any further notice.

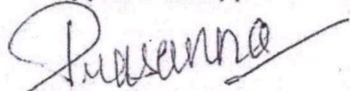
Sd/-  
MEMBER SECRETARY

To  
M/s. S.B. Organics Ltd.,  
Sy.No.252 & 253, Chandapur (V),  
Hatnoora (M), Sangareddy District.

Copy to:

1. The JCEE, TGPCB, ZO, RC Puram for information and necessary action.
2. The EE, TGPCB, RO, Sangareddy for information and necessary action.
3. Concerned File.

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

  
Senior Environmental Engineer  
(Task Force - UH-IV)



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

**AIR (PREVENTION AND CONTROL OF POLLUTION) ACT 1981**  
**(AS AMENDED BY ACT 47 OF 1987)**

**Order No.SRD-155/TGPCB/TF/HO/2024-**

**Date:22.11.2024**

**Sub: TGPCB - M/s. S.B. Organics Ltd., Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District - Causing of damage to the Environment due to operation of the industry - LEVYING OF ENVIRONMENTAL COMPENSATION - Air (Prevention and Control of Pollution) Act 1981 (as amended by Act 47 of 1987) - DIRECTIONS - ORDERS ISSUED - Reg.**

- Ref:**
1. CFO & HWA Order dated: 21.06.2021, with validity up to 31.07.2026.
  2. Directions Order No.SRD-155/TSPCB/TF/HO/2023-2118, Date: 20.03.2023.
  3. Fire accident occurred on 03.04.2024 around 04:30 PM.
  4. The Hon'ble NGT, Principal Bench has registered an Original Application (OA) suo motu based on the news item title "4 killed in blast at drug manufacturing unit in Telangana" appeared in "The Hindu" dated 04.04.2024.
  5. Closure Order No.SRD-155/TSPCB/TF/HO/2024- Dt:27.04.2024
  6. The Hon'ble NGT, Southern Bench, Chennai registered the transferred Original application with OA No. 155 of 2024.
  7. The Hon'ble NGT, Chennai has passed an order on 18.09.2024.
  8. Show cause Notice Lr. No. HTN029/PCB/RO-I:SRD/2024 Dt. 14.11.2024.
  9. Industry's reply to show cause notice received by this Office on 20.11.2024.
  10. Hearing held on 22.11.2024.

\*\*\*

1. **WHEREAS**, you are operating the industry is located at Sy. No.352 & 353, Chandapur (V), Hatnoora (M), Sangareddy District and is engaged in manufacture of Guanidine Nitrate & Guanidine Carbonate.
2. **WHEREAS**, vide reference 1<sup>st</sup> cited, the Board issued CFO & HWA vide order on 21.06.2021 with validity up to 31.07.2026 for manufacturing Guanidine Nitrate-4,000 Kgs/day in Group-A and Guanidine Nitrate - 2,500 Kgs/day & Guanidine Carbonate - 1,500 Kgs/day with a condition that either Group-A or Group-B shall be manufactured at any point of time. The industry produces Potassium Nitrate- 1.9 TPD as a by-product.
3. **WHEREAS**, vide reference 2<sup>nd</sup> cited, the Board issued directions to the industry on 20.03.2023 in connection with complaints.
4. **WHEREAS**, vide reference 3<sup>rd</sup> cited, the RO-Sangareddy received a telephonic call on 03.04.2024 around 6:00 PM from the Sangareddy District Administration regarding the explosion occurred in M/s. SB Organics and the TSPCB officials went to the site by 7:00 PM and it was reported that a reactor was exploded around 4:30 PM which resulted in fire. The fire tenders reached the spot by 4:45 PM and started dousing the fire resulted from the explosion.
5. **WHEREAS**, vide reference 4<sup>th</sup> cited, the Hon'ble NGT, Principal Bench has registered an Original Application (OA) suo motu based on the news item title "4 killed in blast at drug manufacturing unit in Telangana" appeared on "The Hindu" dated 04.04.2024. The news article relates to blast at M/s. SB Organics Limited, a bulk drug manufacturing unit located at Hatnoora (M), Medak (D); the blast resulted in the death of 4 people and injury to 21 persons. The Hon'ble NGT directed the respondents to submit the response before the Tribunal and transferred the original record of OA to Southern Bench as the subject matter relates to the Southern Bench.

6. **WHEREAS**, vide reference 5<sup>th</sup> cited, the Board issued closure order to the industry for not taken safety measures for prevention of accident, not complying with the consent conditions / directions issued by the Board and causing pollution in the surrounding area.
7. **WHEREAS**, vide reference 6<sup>th</sup> & 7<sup>th</sup> cited, the Hon'ble NGT, Southern Bench, Chennai registered the transferred Original application with OA No. 155 of 2024 and issued the following direction vide order dated 18.09.2024.

"The District Collector - Sangareddy District and the Telangana State Pollution Control Board are directed to file a further report regarding the actual pollution caused due to the blast and the particulars about the environmental compensation issued to the Project Proponent, though as on date it is stated that the company is closed."

8. **WHEREAS**, vide reference 8<sup>th</sup> cited, the RO-Sangareddy submitted a report to the Board Office on 20.11.2024. The RO, Sangareddy has issued a show cause notice on 14.11.2024 to levy the Environmental Compensation of Rs.31,00,000/- as per Rules. The details of calculation of Environmental Compensation are as follows:

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

$$\text{Environmental Compensation (EC)} = \text{PI} \times \text{N} \times \text{R} \times \text{S} \times \text{LF}$$

Where

- PI - 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  
 LF - Location factor

2. Pollution index of industrial sector (PI): The Telangana Pollution Control Board categorized the industry into 'Red' category (Synthetic Organic Chemicals). For 'Red' category of industries, average pollution index is 80. Thus PI is considered as 80 in the EC estimation for this industry.
3. 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 submitted as below:

Initial date of observation of violation	03.04.2024
Last Date of sending of contaminated water to M/s. PETL	03.06.2024
No. of days of violation (03.04.2024 to 03.06.2024)	63 Days

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 but maximum value of 500 was considered owing to severity of the accident as environmental compensation in case of violation. Hence, Factor in Rupees (R) for EC estimation is considered as 500.

5. Scale of operation (S):

S.No	Name of the industry	Small / Medium / Large	Scale of operation (S).
ii.	M/s. S.B. Organics Ltd., Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District. (Gross Block/Fixed assets: Rs. 11.49 Crores)	Medium	1.0
<p>➤ As per the website of Ministry of Micro, Small &amp; Medium Enterprises, units with investment up to Rs. 10 Crore and turnover up to Rs. 50 Crore shall be considered as Small Category; units with investment up to Rs. 50 Crores and turnover up to Rs. 250 Crore shall be considered as Medium Category.</p> <p>➤ Turnover of the industry is not considered for above calculation.</p>			

Location Factor (LF): The industry is located in Chandapur (V), Hatnoora (M), Sangareddy District and the unit is located within 10Km radius from the Municipal Limits of Sangareddy Municipality and the population of Sangareddy town as per 2011 census is 15,27,628 people. Thus location factor (LF) is considered as 1.25 for EC estimation.

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

$$\begin{aligned}
 > \text{Environmental Compensation (EC)} &= PI \times N \times R \times S \times LF \\
 &= 80 \times 62 \times 500 \times 1.0 \times 1.25 \\
 &= \text{Rs. } 31,00,000/-
 \end{aligned}$$

9. **WHEREAS**, vide reference 9<sup>th</sup> cited, the industry has submitted a reply to the Show Cause Notice vide letter dated:14.11.2024 and stated that the industry has submitted a reply to the show cause notice stating that the accident occurred on 3rd of April 2024, and the site was completely under the control of the Government authorities. They were not given access to the site and not given clearance for removing any material from the area by the police department till 3rd May 2024 because the period witnessed visits by various government departments (incl. Police Department, Department of Factories, Pollution Control Board, Fire Department, etc.) and collection of multiple samples. In order to maintain integrity of the site conditions, they were instructed to not remove / lift any material from the site. The delay in sending the waste to authorized vendors is purely due to complying with the instructions of the authorities, and not due to negligence on part of the industry. As soon as they received the clearance, they have sent the first tanker to PETL on 4th May 2024 (Manifest No: 722889) followed by two more tankers on 17th May 2024 and on 3rd June 2024. Hence requested to consider the above information about site clearance and reconsider the Environmental Compensation (EC) levied on the company.

14. **WHEREAS**, vide reference 10<sup>th</sup> cited, you were given an opportunity for hearing before the Task Force Committee of the Board during the meeting held on 22.11.2024. The industry representative, RO-Sangareddy Officials have attended the meeting.

I. The Committee noted the following non-compliances:

1. The Hon'ble NGT, Southern Bench, Chennai registered the transferred Original application with OA No. 155 of 2024 and issued the following direction vide order dated 18.09.2024.

"The District Collector - Sangareddy District and the Telangana State Pollution Control Board are directed to file a further report regarding the actual pollution caused due to the blast and the particulars about the environmental compensation issued to the Project Proponent, though as on date it is stated that the company is closed."

2. The Board office vide email dated 13.11.2024 directed the RO-Sangareddy to issue show cause notice to the industry for levying the Environmental Compensation based on the recommendations of in house committee of CPCB on methodology and guidelines for assessment, imposing, collection and utilization of the environmental compensation from the polluting units in the state of Telangana.
3. The RO, Sangareddy issued Show Cause Notice to the industry for Levy of Environmental Compensation (EC) imposing of Rs. 31,00,000/- on 14.11.2024.
4. The industry has submitted a reply dt:20.11.2024 to the show cause notice stating that the accident occurred on 3<sup>rd</sup> of April 2024, and the site was completely under the control of the Government authorities. They were not given access to the site and not given clearance for removing any material from the area by the police department till 3rd May 2024 because the period witnessed visits by various government departments (incl. Police Department, Department of Factories, Pollution Control Board, Fire Department, etc.) and collection of multiple samples. In order to maintain integrity of the site conditions, they were instructed to not

remove / lift any material from the site. The delay in sending the waste to authorized vendors is purely due to complying with the instructions of the authorities, and not due to negligence on part of the industry. As soon as they received the clearance, they have sent the first tanker to PETL on 4th May 2024 (Manifest No: 722889) followed by two more tankers on 17th May 2024 and on 3rd June 2024. Hence requested to consider the above information about site clearance and reconsider the Environmental Compensation (EC) levied on the company.

II. The representative of the industry informed that after the accident, the industry was completely under the control of the Government authorities. They were not given access to the site and not given clearance for removing any material from the area by the police department till 3rd May 2024, because the period witnessed visits by various government departments (incl. Police Department, Department of Factories, Pollution Control Board, Fire Department, etc.) and collection of multiple samples. In order to maintain integrity of the site conditions, they were instructed to not remove / lift any material from the site. The delay in sending the waste to authorized vendors is purely due to complying with the instructions of the authorities, and not due to negligence on part of the industry. Hence, they requested the Board to consider the above information about site clearance and reconsider the Environmental Compensation (EC) levied on the company and requested for time to pay the EC amount.

After detailed discussions, the Committee examined the request of the industry and recommended to levy the Environmental Compensation (EC) amount of Rs.31,00,000/- to the industry.

- 10. **WHEREAS**, based on the recommendations of the Committee, the Board vide order dated:22.11.2024 levied Environmental Compensation under Section 33(A) of Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988).
- 11. **WHEREAS**, after careful consideration of material facts of the case, the Board hereby directs the industry **not to start the operations of the industry without obtaining revocation of closure order.**
- 12. These orders are issued under Section 31(A) of the Air (Prevention and Control of Pollution) Act 1981 (as amended by Act 47 of 1987).
- 13. The above mentioned directives shall be implemented by the industry, failing which legal action will be initiated against your industry under Section 31(A) of the Air (Prevention and Control of Pollution) Act 1981 (as amended by Act 47 of 1987) directing closure of the industry in the interest of Public Health and Environment without any further notice.

Sd/-  
MEMBER SECRETARY

To  
M/s. S.B. Organics Ltd.,  
Sy.No.252 & 253, Chandapur (V),  
Hatnoora (M), Sangareddy District.

**Copy to:**

- 1. The JCEE, TGPCB, ZO, RC Puram for information and necessary action.
- 2. The EE, TGPCB, RO, Sangareddy for information and necessary action.
- 3. Concerned File.

//T.C.F.B.O//  
*Prasanna*  
Senior Environmental Engineer  
(Task Force - UH-IV)



To,  
Environmental Engineer  
Telangana Pollution Control Board  
Regional Office 1  
Sangareddy  
Telangana

**Subject:** Response to Order No.SRD-155/TGPCB/TF/HO/2024 dated 22.11.2024 with subject TGPCB - M/s. S.B. Organics Ltd., Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District - Causing of damage to the Environment due to operation of the industry - LEVYING OF ENVIRONMENTAL COMPENSATION - Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988) - DIRECTIONS - ORDERS- ISSUED - Reg.

Dear Ma'am,

We are in receipt of Order Order No.SRD-155/TGPCB/TF/HO/2024 dated 22.11.2024 with subject 'TGPCB - M/s. S.B. Organics Ltd., Sy.No.252 & 253, Chandapur (V), Hatnoora (M), Sangareddy District - Causing of damage to the Environment due to operation of the industry - LEVYING OF ENVIRONMENTAL COMPENSATION - Water (Prevention and Control of Pollution) Act, 1974 (as amended by Act 53 of 1988) - DIRECTIONS - ORDERS- ISSUED - Reg.' wherein after the Board directed the industry to deposit an amount of Rs.31,00,000/- (Rupees Thirty One Lakhs Only) towards Environmental Compensation (EC) within 15 days with respect to the accident which took place at SB Organics Unit 1 on 3rd of April 2024.

We have deposited the amount through RTGS to 'Telangana State Pollution Control Board' SBI account (Paryavaran Bhavan A-3, Industrial Estate, Sanath Nagar, Hyderabad, Telangana). The UTR number of the transaction is:

25-11-2024 16:50:23 25-11-2024

NEFT O / W - YESIG43300188863-SBIN0021452-TELANGANA STATE POLLUTION CONT - 2411251142460001  
YESIG43300188863

However, we deny the contents and allegations made against us. We hereby place our objection to the order. As informed to the department in writing, we have complied with all directives before and after the accident. The site was completely under the control of the Government authorities. We were not given access to the site and not given clearance for removing any material from the area by the police department till 3rd May 2024 because the period witnessed visits by various government departments (incl. Police Department, Department of Factories, Pollution Control Board, Fire Department, etc.) and collection of multiple samples. In order to maintain integrity of the site conditions, we were instructed to not remove / lift any material from the site. The delay in sending the waste to authorized vendors is purely due to complying with the instructions of the authorities, and not due to negligence on part of the company. Due to persistent demand of the board, we pay the amount under protest and submit our objection.

Regards,



## SB ORGANICS LTD

### FACTORY ADDRESS :

Unit -I, Survey No. 352 & 353,  
Chandapur Village, Hathnoora Mandal,  
Sangareddy District, Telangana State,  
Pin Code : 502296, INDIA.

### REGISTERED OFFICE :

S B ORGANICS LTD  
H. NO 2B. 206.H.L.G PLOT NO 206  
BHEL EXECUTIVES CO OPERATIVE SOCIETY LTD  
MADHAV NAGAR H I G COLONY RAMACHANDRAPURAM 502032  
CELL NO 7207021606.  
EMail : ravi@sborganics.com  
SANGAREDDY District, Telangana State,INDIA

GOVERNMENT TELANGANA  
LABOUR DEPARTMENT

Lr. No. C/ 245/2024

Dated 27.11.2024.

From  
Deputy Commissioner of labour  
Sangareddy

To  
✓ District Collector,  
Sangareddy

Medam,

Sub:-Hon'ble NGT (SZ) Chennai Case- Sangareddy District-Chandapur (V) Hathnoora (M) Sangareddy dist-Explosion Occurred at SB Organics Factory at Chandapur, Hathnoora(M) Sangareddy District- Suo-Motu case taken up by th hon'ble NGT (principal Bench New delhi in O.A. No. 367/2024- Case Transferred to Hon'ble NGT (SZ0 Chennai- Report on the case- Report Submitted- Reg.

Ref:- Lr. No. D3/961/2024 dt. -11-2024. Of the Dist Collector, Sangareddy.

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With refernce to th subject cited, is is submitted that, on 03.4.20244, an accident was occurred in SB Organics Ltd, chandapur(V) Hathnoora(m) Sangareddy dist, which (6) employees died and (12) workers are injured.

On receipt of information, notices were issued to the management of M/s SB Organics under Section 10 A, of Employees Compensation Act, 1923 for furnishing information in form U1.

The Management of Submitted a reply while informing about death of (6) employees including their age, wage details. Basing on which Order are issued to the management directing them to deposit the compensation amount.

The Manegment has deposited the compensation before the Commissioner for Employees Compensation Act, & Deputy Commissioner of labour, Sangareddy and the same was disbursed to the dependents of the deceased. The Statement of compensation paid including the exgratia to the dependents is enclosed herewith.

Further it is submitted that, the (12) injured persons, the management paid expenses for the treatment alongwith full wages during the period of treatment and rest period therein as advised by the doctors.

There is no perment disablement is reported from any of the injured employees sofar since the persentage of permanent disability certificate is mandetory to assess the compensation as per the Employees Compensation Act,

This is Submitted for favour of kind information.

Yours faithfully

  
Deputy Commissioner of Labour  
**Deputy Commissioner of Labour**  
**SANGAREDDY.**

## INDUSTRIAL EMPLOYEES ACCIDENTAL INFORMATION IN SANGAREDDY DISTRICT FOR THE PERIOD FROM, 1/2024 to 8/2024

Name of the Factory	Date of Accident	Fatal / Non Fatal	Name of the Deceased	Amount of Compensation Awarded	Exgratia paid if any	Total Amount	Remarks.
1	2	3	4	5	6	7	8
M/s SB Organics Ltd, Chandapur(V) Hathnoora (M)Ssangareddy dist.	03.04.2024	Fatal	Sebastin Jenmarakin Dayalan.	Rs. 11,98,500/-	Rs. 29,01,500/-	Rs.41,00,000/-	
M/s SB Organics Ltd, Chandapur(V) Hathnoora (M)Ssangareddy dist.	03.04.2024	Fatal	Chakali Vishnu.	Rs. 14,21,700/-	Rs.26,78,300/-	Rs.41,00,000/-	
M/s SB Organics Ltd, Chandapur(V) Hathnoora (M)Ssangareddy dist.	03.04.2024	Fatal	Perni Subrahmanyam.	Rs. 14,59,800/-	Rs.26,40,200/-	Rs.41,00,000/-	
M/s SB Organics Ltd, Chandapur(V) Hathnoora (M)Ssangareddy dist.	03.04.2024	Fatal	Sri Suresh Pal.	Rs. 13,16,550/-	Rs.27,83,450/-	Rs.41,00,000/-	
M/s SB Organics Ltd, Chandapur(V) Hathnoora (M)Ssangareddy dist.	03.04.2024	Fatal	Sri Devalapally Ravi.	Rs. 13,38,675/-	Rs. 27,61,325/-	Rs.41,00,000/-	
M/s SB Organics Ltd, Chandapur(V) Hathnoora (M) Sangareddy dist.	03.04.2024	Fatal	Sri Vaddepally Ramesh.	-	Rs. 41,00,000/-	Rs.41,00,000/-	V. Ramesh Working as Contract Labour Covered under ESIC, Hence is not applicable for Compensation.