

## BEFORE THE HON'BLE NATIONAL GREEN TRIBUNAL AT DELHI

APPEAL No. 37 of 2024

**IN THE MATTER:**

M/s Sumit Knit Fab, 3-b, Industrial Area-A Extension, Ghore Wali Road, Ludhiana Punjab-141010, through its Proprietor Rishi Jethi. ....Appellant

**VERSUS**

Punjab Pollution Control Board &amp; Ors.

.....Respondents

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PLACE: DELHI

DATE: 13 /01/2025

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Punjab Pollution Control Board & Ors. ....Respondents

**REJOINDER ON BEHALF OF THE APPELLANT TO THE REPLY FILED BY THE RESPONDENT****PUNJAB POLLUTION CONTROL BOARD.****MOST RESPECTFULLY SHOWETH:**

1. The Appellant has filed the present appeal against the impugned order dated 24.07.2024 (communicated to the Appellant vide impugned letter dated 26.07.2024) passed by the Respondent Board without due application of mind and in complete violation of the principles of natural justice, vide which the Respondent Board has arbitrarily imposed Environment Compensation to the tune of Rs. 6,42,25,000/- (Rupees Six Crore Forty-Two Lakhs and Twenty-Five Thousand). That the present Appeal is pending adjudication and is now listed for hearing before this Hon'ble Tribunal on 15.01.2025.
2. That at the outset, the Appellant herein denies each and every statement and contentions set forth in the reply to the extent the same are contrary to and/or inconsistent with the true and complete facts of the case and/or the submissions made on behalf of the Appellant in the Appeal as well as in the present Rejoinder. That the Appellant further humbly submits that the averments and contentions, as stated in the reply filed by the Respondent Punjab Pollution Control Board, may not be taken to be deemed to have been admitted by the Appellant, save and except what are expressly and specifically admitted and the rest may be read as travesty of facts.

3. That before adverting to the contents of the reply filed by the Respondent Punjab Pollution Control Board, there are certain facts which the Appellant would like to place before this Hon'ble Tribunal, as under:

PRELIMINARY SUBMISSIONS:

1. IT IS NOT THE CASE OF THE RESPONDENT BOARD THAT AN OPPORTUNITY OF HEARING WAS GRANTED TO THE APPELLANT HEREIN BEFORE FINALIZING THE PERIOD AND QUANTUM OF ENVIRONMENTAL COMPENSATION.

- a. That in the entire reply filed by the Respondent Punjab Pollution Control Board, it is not the case of the Respondent Board that an opportunity of hearing was granted to the Appellant herein before finalizing the period and quantum of Environmental Compensation. Therefore, the same proves the fact that the impugned order was passed by the Respondent Board in complete violation of the principles of natural justice.
- b. That a show cause notice dated 18.06.2024 was issued by the Respondent Board with respect to the imposition of EC and fixing 27.06.2024 as the date of hearing before the Chairman of the Respondent Board. However, **the show cause notice failed to mention either the duration/method or the quantum of compensation proposed to be imposed on the Appellant.** That the Appellant attended the hearing before the Chairman on 26.07.2024 and submitted a written reply to the Respondent Board. That the proceedings of the personal hearing held on 27.06.2024 were communicated to the Appellant vide letter dated 03.07.2024. That the proceedings state that "**the matter may be referred to the Environmental Compensation Verification Committee for imposition of Environmental Compensation**". It is imperative to mention herein that neither quantum of compensation nor period of violation was specified by the Respondent Board in the show cause notice dated 18.06.2024.
- c. That after the personal hearing held on 27.06.2024 the matter was referred to the Environmental Compensation Verification Committee, which finalized the quantum of

compensation and period of violation without giving an opportunity of hearing to the Appellant herein. That it was incumbent upon the Respondent Board as well the Committee to issue a show cause notice to the Appellant herein stating the proposed period of violation and proposed quantum of compensation and provide an opportunity of hearing to the Appellant herein so as to show cause why the proposed environment compensation should not be levied on the unit. That the prescribed procedure has not been adopted by the Board and the Committee before finalizing the quantum of compensation and period of violation. That the quantum of compensation and period of violation were communicated to the Appellant herein only through the impugned directions dated 24.07.2024. That by not providing an opportunity of hearing to the Appellant herein before assessing the quantum of compensation and the period of violation, the Respondent Board as well as the Environmental Compensation Verification Committee have violated the principles of Natural Justice. That not providing an opportunity of hearing to the Appellant herein before taking the final decision amounts to serious procedural lapse on part of the Respondent Board and the Committee fatal to the impugned order. It is submitted that the decision-making process including the decision regarding quantum of compensation should be transparent.

- d. That this Hon'ble Tribunal in the matter titled as Anjum vs. Uttar Pradesh Pollution Control Board (Appeal-28/2023) has held that: "Some may be for execution of functioning of the concerned proponent, and some may have adverse effect upon his right to carry on process/operation including fastening liability, financial or otherwise. The directions which would have adverse effect upon proponent in the matter of running of its process or project or industry or operation or otherwise confer any liability upon it, such directions, in our view, cannot be issued without complying with the principle of natural justice." In another order dated 21.07.2020 passed by the Hon'ble Tribunal in Appeal No. 9/2020(SZ), Piramal Enterprises Limited vs. Telangana Pollution Control Board, it is was stated that: "Since, compensation being a monetary liability, before fixing the same, an opportunity ought to have been given by the Pollution Control Board to the

appellant unit which is the basic principle of following the principles of natural justice of being heard before final orders are being passed." That in the present case of the Appellant Industry, the impugned order dated 24.07.2024 passed by the Board imposing Environment Compensation and requiring the Appellant to pay the same by applying principle of 'Polluter Pays' is a quasi-judicial order as it imposes huge financial liability upon it and without giving any effective opportunity of hearing and complying with the principles of natural justice, such liability cannot be fastened upon the Appellant.

- e. That in addition to the above, the Respondent Board has yet again proceeded and issued an arbitrary order dated 05.12.2024 imposing an Environmental Compensation to the tune of Rs. 91,55,000/- for the period 26.04.2019 to 29.04.2024. That the Appellant herein is filing an Appeal against the said order dated 05.12.2024 for adjudication before this Hon'ble Tribunal. Copy of the order dated 05.12.2024 is marked and annexed herewith as **Annexure-A/1**. It is crucial to note that the order dated 05.12.2024 was issued by the Respondent Board without serving any show cause notice or providing the Appellant an opportunity to be heard, thereby violating the principles of natural justice. The series of orders passed by the Respondent Board against the Appellant clearly demonstrate the Board's disregard for these principles and its consistent failure to adhere to them.

2. THERE IS NO DOCUMENT ON RECORD TO SHOW THAT THE APPELLANT WAS CARRYING ON THE WORK OF DYEING AND WASHING DURING THE PERIOD 2005-2019 EXCEPT THE REPORT OF THE STATE SALE TAX OFFICER, LUDHIANA DATED 13.05.2024.

- a. That except the alleged report of the Excise and taxation Department, nothing has been brought on record by the Respondent Board to show that the Appellant was carrying on the work of dyeing and washing from the year 2005-2019 and that there was actual violation on part of the Appellant herein. At the outset it is submitted that the alleged report dated 13.05.2024 of the excise and taxation department was never provided to the Appellant herein and it is only through the reply filed by the Respondent

Board before this Hon'ble Tribunal that the Appellant has got hands on the said report. That passing an order based on a report that was never supplied to the Appellant herein also amounts to grave violation of the principles of natural justice on part of the Respondent Board. Further, a perusal of the said report attached by the Respondent Board as Annexure-P at Page 510 of the court file would reflect that the said matter originated only after the filing of a complaint by Mr. Sunil Verma, who as detailed in the Appeal already is a competitor and a business rival of the Appellant herein and is also hand in gloves with the Respondent Board.

- b. That further the perusal of the said report would also show that the same has been made based upon the two invoices submitted by Mr. Sunil Verma. The report allegedly states that: *'This shows that both the parties were engaged in business and has duly has duly accounted the transactions in there returns....From the above it may be concluded that Sumit Knit Fab having TIN 03422010923 is doing dying in year 2009-10.'* At the outset it is relevant to mention herein that **the report nowhere mentions that the Appellant was engaged in the work of dyeing from the year 2005-2019 as alleged by the Respondent Board in the impugned order as well as in the reply filed by them before this Hon'ble Tribunal and the same simply states the year as 2009-10.** Further, the report is completely unreliable as it is in totality based only upon two invoices that too submitted by a person who is a competitor and a business rival of the Appellant herein. As would be clear from the report it simply states based on two invoices that the Appellant was engaged in the business of dyeing with one Hinker Knits India Pvt. Ltd. It has already been submitted by the Appellant herein in the Appeal that from 2003-2018 the Appellant was engaged in the manufacturing and re-selling of knitted fabric. It is submitted that the Appellant herein used to outsource the work of dyeing (with the dyer using his own dyes), but the Appellant started receiving complaints from its customers regarding the poor quality of dye being used. It is imperative to mention herein that the units to whom the Appellant used to out-source the work of dyeing, used poor or low quality of dyes (including cheaper Chinese dyes) and the customers therefore were not satisfied with the final product. That therefore so as to achieve

customer satisfaction and for the purpose of cost cutting so as survive in a highly competitive market, the Appellant started buying dyeing chemicals himself at a much lesser price from the market and gave it to the dyer for dyeing the fabrics of the Appellant. That therefore, the invoices based on which the report has been submitted pertains to the dyes bought by the Appellant to give to the dyer for dyeing the fabrics of the Appellant. That even otherwise, just based on two purchase invoice it cannot be alleged that the Appellant herein was engaged in the work of dyeing prior to the year 2019.

- c. The Municipal Corporation issued a letter dated 09.02.2021 to the Respondent Board stating that the effluent discharge connection of the Appellant unit has been regularized only from 09.04.2019. That further, a response letter dated 17.02.2021 was also issued by Office of Assistant Commissioner State tax, Ludhiana-3 to the Respondent Board stating that **"as per the record, the firm was registered on the VAT portal w.e.f 31 May 2005 for manufacturing/resale of Knitted Cloth (copy enclosed). Moreover, the purchase invoices related to the purchase of dyeing unit machinery/equipment reflects that the firm was involved in dying operations in YF 2019-20"**.
- d. That the Appellant herein submitted an application dated 18.11.2024 to the Deputy/Assistant Commissioner, CGST Division, Ludhiana along with the bills, invoices, ledgers, balance sheet etc. That in response to the application dated 18.11.2024, a letter dated 20.11.2024 has been issued by the office of the Deputy/Assistant Commissioner, CGST Division, Ludhiana stating that: **'This is to certify that M/s Sumit Knit Fab, 3B Industrial Area Extension, Ghorewali Road Ludhiana falls under the jurisdiction Range V, CGST Division, Ludhiana. They have installed Dyeing Unit in FY 2018-19 and machinery in this regard was purchased from the period 01.12.2018 to 17.09.2020. They have commenced production after 13.05.2019 as per the Certificate issued by Punjab Pollution Control Board, Zonal Office -1, Ludhiana. The details Suppliers from whom said machinery has been purchased reflect in the GSTR 2A for the Financial Years 2018-19, 2019-20 and 2020-21.'** Copy of the application dated 18.11.2024 submitted by the

Applicant herein and the letter dated 20.11.2024 issued by the office of the Deputy/Assistant Commissioner, CGST Division, Ludhiana is marked and annexed herewith as **Annexure-A/2(Colly)**.

**REJOINDER ON MERITS:**

That the Appellant reiterates and relies upon the contents and averments made hereinabove as well as in the Appeal and the same are not being repeated hereunder for the sake of brevity. Further, the contents of each of the paragraph of the reply herein below are deemed to be denied by the Appellant, except those specifically admitted.

1. That the contents of the corresponding paragraph are a matter of record and hence need no reply from the Appellant herein. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.
2. That the contents of the corresponding paragraph are a matter of record and hence need no reply from the Appellant herein. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.
3. That the contents of the corresponding paragraph are a matter of record and hence need no reply from the Appellant herein. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.
4. That the contents of the corresponding paragraph need no reply from the Appellant herein. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.
5. That the contents of the corresponding paragraph are wrong and hence denied except those which are specifically admitted herein. It is denied that though the ETP

was in existence but untreated effluent was being discharged into sewer and the ETP was found not in operational condition. It is denied that the data sheet for collection of sample during visit on 03.01.2019 as signed by the proprietor of the Appellant Industry in token of its correctness. At the outset it is submitted that the report of the samples collected by the Respondent Board (Annexure-B of the reply by Respondent Board at page 474 of the court file) was not provided to the Appellant herein and the Appellant herein was only made to sign a blank/empty data sheet and the annexed data sheet is a document that has been filled by the Respondent Board at a belated stage. It is not the case of the Appellant that the sample analysis report attached by it as Annexure-B (page 474 of the court file) was provided to the Appellant herein. That since That in early 2019, when the Appellant was in the process of establishing and stabilizing its dyeing and washing operations, an inspection was conducted by the officers of the Board on 03.01.2019. That at the time when the inspection was carried out by the Respondent Board the Appellant had not started its process and was just in the process of stabilizing the ETP and testing. That during the inspection carried out by the Board on 03.01.2019, samples were collected by the Respondent Board but the same were not divided into two parts even at the asking of the Appellant herein and therefore the same were collected in violation of Section 21 of the Water (Prevention and Control of Pollution) Act, 1974. That since the samples collected were not divided into two parts, the same are not admissible as evidence under law. It is imperative to mention herein that the process of washing and dyeing was started by the Appellant only after obtaining Consent to Operate from the Punjab Pollution Control Board. That the Appellant herein applied for the grant of Consent to Operate and along with the same submitted a letter dated 19.01.2019 to the Respondent Board stating that the industry is applying for the grant of Consent to Operate under the Water Act and the Air Act and therefore air and water emission samples may kindly be collected. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

6. That in response to the contents of the corresponding paragraph it is reiterated that the process of washing and dyeing was started by the Appellant only after obtaining Consent to Operate from the Punjab Pollution Control Board. That the Appellant herein applied for the grant of Consent to Operate and along with the same submitted a letter dated 19.01.2019 to the Respondent Board stating that the industry is applying for the grant of Consent to Operate under the Water Act and the Air Act and therefore air and water emission samples may kindly be collected. That without taking into consideration the fact that the Appellant has already applied for the grant of Consent to Operate and vide letter dated 19.01.2019 has requested for collection of samples, the Respondent Board issued directions dated 25.01.2019 (28.01.2019) for closure of industry under Section 31-A of the Air (Prevention & Control of Pollution) Act, 1981 and under Section 33-A of the Water (Prevention & Control of Pollution) Act, 1974. It is imperative to mention herein that the said directions dated 25.01.2019 (28.01.2019) were issued by the Respondent Board without giving any prior show cause notice to the Appellant herein or providing an opportunity to the Appellant to file its objections or an opportunity of hearing. That along with the aforementioned directions, directions dated 25.01.2019 were also issued by the Respondent Board for disconnection of electricity supply. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.
7. That in response to the contents of the corresponding paragraph it is submitted that after the issuance of the aforementioned directions, the Appellant herein made several visits to the office of the Respondent Board and made his submissions before the Board and requested the Board for withdrawal of the directions dated 25.01.2019. That the Appellant also submitted a reply dated 22.04.2019 requesting for the withdrawal of the directions dated 25.01.2019 (28.01.2019). The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

8. That in response to the contents of the corresponding paragraph it is submitted that the Respondent Board acceded to the request of the Appellant herein and the directions dated 25.01.2019 were withdrawn by the Respondent Board. That vide directions dated 13.05.2019, the Respondent Board ordered for restoration of electricity available to the industry. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.
  
9. That in response to the contents of the corresponding paragraph it is submitted that the very first Consent to Operate under the Air (Prevention & Control of Pollution) Act, 1981 and under the Water (Prevention & Control of Pollution) Act, 1974 was granted to the Appellant industry on 13.05.2019 and was valid upto 12.11.2019. That as per the Consent to Operate the Appellant industry had the permission to discharge the treated effluent into the sewer after treatment in Effluent Treatment Plant. That accordingly the effluent was discharged into the Sewer only after treatment in the Effluent Treatment Plant. That the Appellant duly paid charges towards discharge of treated effluent in sewer to the Municipal Corporation. That it is imperative to mention herein that Appellant has always been conscious of its duty and responsibility towards the environment at large and therefore had started working towards achieving Zero Liquid Discharge (ZLD) in the year 2020 itself. That based on the efforts of the Appellant industry, the Respondent Board granted renewed Consent to Operate dated 03.03.2020 under the Water (Prevention & Control of Pollution) Act, 1974 which was valid till 12.05.2020 and the same had a specific condition that the industry shall install & commission the ZLD as per undertaking given by it. That the Consent to Operate under the Air Act was also renewed by the Respondent Board. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.
  
10. That the contents of the corresponding paragraph are wrong and hence denied. It is denied that the team of officers of the Board visited the Appellant industry on

28.10.2020 and during visit the proprietor could not produce the old records, bills and any justification regarding bills dated 14.08.2007 and 18.08.2007 for sweater O/D washing (Over Dyeing washing). At the outset it is submitted that no inspection was carried out by the Board on 28.10.2020 and even the Respondent Board in its reply has failed to annex any such report to support its claim. Rather, a letter dated 11.01.2021 was issued by the Respondent Board to the Appellant industry stating that a complaint has been received against the industry from Sant Baba Balbir Singh Seechewal in which it has been claimed that the industry was operating its dyeing and washing process at existing location since 2005 without any ETP and the Municipal Corporation has also regularized the industry upto 31.03.2019. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

11. That in response to the contents of the corresponding paragraph it is submitted that in response to the letter dated 11.01.2021 issued by the Respondent to the Municipal Corporation, the Municipal Corporation issued a letter dated 09.02.2021 to the Respondent Board stating that the effluent discharge connection of the Appellant unit has been regularized only from 09.04.2019. Further, in response to the letter dated 11.01.2021 issued by the Respondent Board to the Assistant Excise and Taxation Commissioner, Excise and Taxation Department, Ludhiana a response letter dated 17.02.2021 was also issued by Office of Assistant Commissioner State tax, Ludhiana-3 to the Respondent Board stating that **"as per the record, the firm was registered on the VAT portal w.e.f 31 May 2005 for manufacturing/resale of Knitted Cloth (copy enclosed). Moreover, the purchase invoices related to the purchase of dyeing unit machinery/equipment reflects that the firm was involved in dyeing operations in YF 2019-20"**. Further, another letter dated 20.11.2024 has been issued by the office of the Deputy/Assistant Commissioner, CGST Division, Ludhiana stating that: *'This is to certify that M/s Sumit Knit Fab, 3B Industrial Area Extension, Ghorewali Road Ludhiana falls under the jurisdiction Range V, CGST Division, Ludhiana. They have installed Dyeing Unit in FY 2018-19 and machinery in this regard was purchased from the period 01.12.2018*

*to 17.09.2020. They have commenced production after 13.05.2019 as per the Certificate issued by Punjab Pollution Control Board, Zonal Office -1, Ludhiana. The details Suppliers from whom said machinery has been purchased reflect in the GSTR 2A for the Financial Years 2018-19, 2019-20 and 2020-21.'* The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

12. That in response to the contents of the corresponding paragraph it submitted that the Respondent Board has failed to annex any such alleged report that was received by it and hence the submission cannot be relied upon. That after rigorous and continued efforts, the Appellant was finally successful in achieving Zero Liquid Discharge. That the Respondent Board after conducting its due diligence and only after being satisfied that the industry has obtained ZLD, granted renewed Consent to Operate dated 25.08.2021 to the Appellant industry and the same was valid till 20.06.2025. That it is in the humble submission of the Appellant industry that since August 2021 i.e. when the industry achieved ZLD, no trade effluent whatsoever is being discharged into the municipal sewer. It is imperative to mention herein that total cost of the industry is approximately Rs. 1,27,56, 494/- which includes a cost of approximately Rs. 50,00,000/- spent by the Appellant industry towards achieving ZLD. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.
  
13. That in response to the contents of the corresponding paragraph it is submitted that Sh. S.L. Verma (proprietor of M/s Megaline dyeing and finishing house) is a business competitor of the Appellant, with both parties specializing in indigo washing. In 2019, when the Appellant established his dyeing and washing machinery, Sh. S.L. Verma approached the Appellant, requesting an increase in the rate for dyeing operations to equalize customer traffic. The Appellant refused to do the same, and since then, Sh. S.L. Verma has pursued a campaign against the Appellant by filing various frivolous complaints against his unit. Furthermore, Sh. S.L. Verma enjoys the support of Sh. Sant

Balbir Singh Sichewal, M.P., who is allegedly complicit in efforts to completely undermine the Appellant's business. It is essential to mention that following the issuance of order by the Respondent Board, the Appellant had multiple meetings with officers of the Respondent Board and other relevant authorities. During these meetings, the Appellant was repeatedly advised to approach Sh. Sant Balbir Singh Sichewal, M.P. to settle the matter permanently. The Appellant's refusal to engage in such conduct has resulted in ongoing harassment due to the misuse of power by the Respondent Authorities and the aforementioned political leader, Sh. Sant Balbir Singh Sichewal, M.P. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

- 14-15. That in response to the contents of the corresponding paragraphs it is submitted that on 02.02.2024, the Appellant Industry was visited by the Committee constituted by the Respondent Board for inspection on a complaint received to the Board submitted by SL. Verma through Sh. Sant Balbir Singh Sichewal MP. That during the inspection samples were collected by the officials of the said committee from Outlet of the ETP leading to UF Feed, from final RO1 and RO2 permeate leading to storage tank, from Outlet of overhead tank where Fresh Water + RO permeate is taken and Final RO reject leading to evaporator. However, the samples so collected by the Committee were not divided into two parts even at the asking of the Appellant Industry, which is a clear violation of Section 21 of the Water Act. It is imperative to mention herein that the committee thoroughly investigated the sewer connections (domestic) of the Appellant Industry, however, no sewer samples whatsoever were taken by the Committee. That only on account of malafide intentions of the Respondent Board, they raided/inspected the Appellant Industry on 02.02.2024 for 6 hours, trying their best to find anything against the Appellant Industry or to find a bypass. However, the Respondent Board did not find any bypass or any violation on part of the Appellant Industry.

That to the utter shock of the Appellant herein, a show cause notice dated 19.04.2024 was issued by the Respondent Board for revocation of consent under the Water Act, revocation of Authorization issued under the Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 and for imposition of EC. That a perusal of the show cause notice would show that the same was issued based on the inspection carried out by the Board on 03.01.2019 and on the inspection carried out by the Committee of the Board on 02.02.2024 upon a complaint filed by the business rival of the Appellant SL Verma through Sh. Sant Balbir Singh Seechewal MP. That it was through the show cause notice dated 19.04.2024, that the Appellant came to know about the observations made by the Committee that visited the Appellant Industry on 02.02.2024. It is imperative to mention herein that the report of the inspection carried out by the Committee on 02.02.2024 was never served upon the Appellant herein, thus keeping the Appellant herein in dark about the allegations being levelled against the industry. That by not serving the report of the Committee on the Appellant herein, the Respondent Board has violated the mandatory principle of natural justice. That it was on the receipt of the show cause notice dated 19.04.2024 that the Appellant herein approached the Respondent Board and paid charges for obtaining the analysis report of the samples collected by the Committee on 02.02.2024 and the inspection report of the committee. It is imperative to mention herein that the Respondent Board only provided the analysis report of the samples collected by the Committee and failed to provide the inspection report. That as per the analysis report dated 16.02.2024 of samples collected on 02.02.2024, all the parameters were found to be within the prescribed limits. The point-wise reply to the observations of the committee in the inspection report is as under:

- i. **There is no account of 2026 KL. Whereas the effluent may either be directly disposed off after the ETP plant to MC sewer without evaporation to save cost of energy Involved in evaporation:** The total effluent received from Oct 2020 (date installation of RO unit) till April 2024 is 28254 KL. The liquid sludge collected from tube settlers etc. is about to 2-2.5% whereas the reject from UF membranes

is supplied to feed tank to MEE. It is added that only the back wash from the UF membranes is supplied to the collection tank. The difference noted by the committee is only due to the liquid sludge of tube settlers and reject of the UF membrane. This fact might have been got omitted by the committee while making the observations. It is added that we will install EMF meter at UF reject as and when the Industry is allowed to operate so that such observations may not arise in future. Copy of a fresh water balance as per the figures of the Respondent Board is marked and annexed herewith as **Annexure-A/3**.

- ii. **There is possibility of unmetered water source from where the water is taken for processing activities but is not accounted in records:** This para is merely on presumption basis. It is submitted that our unit is only engaged for Washing & dyeing purpose. There is no other water source for obtaining water. It is added that our unit is independent unit and having no connectivity with any surrounding premises industries etc. The extra effluent calculated by the inspection committee has already been well explained at sub point (i) above.
- iii. **RO is not functioning properly and efficiently and there are chances that the Industry might be discharging its treated effluent without reusing in the process:** This para is also on presumption basis. The RO unit -1 is having 9 membranes placed in three rows of 80 x 40 type. Each membrane is having capacity to treat about 1000 Ltr. of effluent per hour. The required capacity of RO-1 is to treat 75 KLD or 6250 Ltr. Per hour in 12 hours. The existing capacity of membranes is 9000 ltr per hour i.e. 1.5 times than the required capacity. Hence there is no chance of improper efficiency. The required capacity of RO-2 is to treat 18.75 KLD(25% of influent) or 1562.5 Ltr. Per hour in 12 hours. The RO unit-2 is having 9 membranes placed in three rows of 40 x 40 type. Each membrane is having capacity to treat about 600 Ltr. of effluent per hour. The existing capacity of membranes is 5400 ltr per hour i.e. more than 3 times than the required capacity. Hence there is no chance of improper efficiency.

- iv. **It is neither feasible not advisable to use treated effluent with such a high TDS of around 1300 ppm for boiler feed or for dyeing/washing process as it will affect the boiler Infrastructure as well as affect the quality of product being manufactured by the industry:** Our industry is engaged mainly in washing of denim indigo garments which are thicker than the normal fabric. These require the water having TDS upto 2000 mg/ Ltr. In case the TDS is less, we add extra salt to bring the TDS upto 2000 mg/ Ltr. Therefore, the water having TDS 1300 mg/ Ltr. or more is good for our fabric. Regarding the feed quality water to the boiler it is submitted that we do not use ETP treated water for boiler. We use only ground water for the boiler.
- v. **The possibility of discharge of effluent through flexible pipe from ETP or RO plant can't be ruled out:** This para is also merely on presumption basis. It is added that we don't use any flexible pipe for any purpose in our unit. We undertake that we have never used/will use any flexible pipe for any type of unauthorized discharge of treated/untreated water to any on-ground/underground or any type of water body.
- vi. **The Industry is not treating whole of the effluent through RO plant and about 2026 KL of effluent was found unaccounted. Hence, the quantities of RO reject will be much more as compared to 658 KL as recorded by the industry:** The total effluent received from Oct. 2020 (date installation of RO unit) till April 2024 is 28254 KL. The liquid sludge collected from tube settlers etc. is about to 2-2.5% whereas the reject from UF membranes is supplied to feed tank to MEE. It is added that only the back wash from the UF membranes is supplied to the collection tank. The difference noted by the committee is only due to the liquid sludge of tube settlers and reject of the UF membrane. This fact might have been got omitted by the committee while making the observations. It is added that we will install EMF meter at UF reject as and when the industry is allowed to operate so that such observations may not arise in future.

- vii. **The hazardous waste of cat. 33.1 were found scattered here & there and no record was maintained:** It is submitted that we receive the chemicals in bags and plastic drums. The empty bags are stored in HW room and are sent to Nimbua Green Fields Dera Bassi. The liquid chemicals are received in drums. The price is paid for chemicals only. The empty drums are on returnable basis. We return all the empty drums to the supplier. Therefore, there is no record of the empty drums.
- viii. **The industry has not provided proper display board outside the hazardous waste storage room as only a computerized paper is pasted there:** The display board has already been provided.
- ix. **The Industry has failed to submit any record of bills or documents to justify the regular and periodic maintenance of RO plant. Further, no bill regarding change of membrane or RO plant was produced:** It is submitted that our R.O. plant was purchased on 24.08.2020. The life of R.O. membranes is 3-5 years when operated 22-24 hours daily. Our plant works for about 12 hours daily. Thus, the life span of the membranes still exists and presently there is no requirement of replacement of the membranes. Regarding periodic maintenance, it is submitted that we daily backwash the membranes and perform descaling periodically. So there is no outside maintenance requirement for the R.O. plant. It is added that we are also attaching herewith the balance RO life evaluated by M/S Mahavir Enviro Consultants, Ludhiana for your ready reference. Therefore, the efficiency and treatment capacity of the system is quite sufficient.
- x. **The industry has not complied with the condition of consent for providing automatic dosing arrangement for optimum chemical/coagulants in its ETP instead of manual system:** Presently we are performing manual feeding of

coagulants for reaction purpose. We will provide auto dosing as soon as the Industry is allowed to operate.

That it is imperative to mention herein that the Appellant had duly submitted its reply to the observations of the committee as mentioned in the show cause notice dated 19.04.2024, vide its reply dated 08.05.2024.

That the hearing before the Chairman of the Respondent Board was attended by the proprietor of the Appellant Industry. It is submitted that a reply was submitted by the Appellant to the Chairman of the Respondent Board during the personal hearing on 25.04.2024. That the minutes of personal hearing held on 25.04.2024 (communicated to the Appellant herein vide letter dated 29.04.2024) record the submissions of the Appellant herein and the same are reproduced herein below for the ready reference of this Hon'ble Tribunal:

*"Sh. Rishi Jethi, Proprietor of the industry attended the hearing and submitted a written reply, which was taken on record. He submitted that he is sole proprietor of the industry and started the Industry in the year of 2019 for washing and dyeing. Before starting the above said unit got all Permissions/NOC from the Punjab Pollution Control Board as well as all the necessary concerned departments. He installed Zero Liquid Discharge Plant. Zero liquid discharge plant working regularly as per norms.*

*The unaccounted water is used in backwash of UF filter & UF reject water. There is no unmetered water source as only one tube well is installed inside the premises of industry which is metered & record is maintained. Both RO Plants are running and were running at the time of official visit. The visiting team inspected plant for 4-5 hours. The industry is using total RO product water into process. The industry is involved in washing/ dyeing of garments, in which up to 2000 TDS water can be used for process. They are not using RO product water in boiler. There is no such flexible pipe inside Industry premises. The industry is treating whole water from ETP in UF*

*& RO Plants. The unaccounted water as per PPCB team, come back into equalization tank from UF Reject & Back wash. The Record of hazardous waste cat. 33.1 Is maintained & sludge is dried in sludge drying trays. Now, the Industry has provided the proper display board outside the hazardous waste storage room. The industry has not conducted any major maintenance/ membrane replacement. They are providing RO chemical purchase data for regular running of plants. Automatic dosing in dyeing/washing, effluent treatment is not practically possible. The ETP is running satisfactorily as per testing report of various sample collected by PPCB regular intervals."*

The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

- 16-17. That the contents of the corresponding paragraphs are wrong and hence denied. It is denied that as per the report, the unit of the Appellant has made purchases from the firms dealing in dyes and chemicals in the year 2005 and is carrying out the dyeing process. It is denied that the unit is in the business of dyeing of garments since 2005. It is denied that the facts disclosed by the State Tax Officer were considered and it was concluded that the industry engaged in the business of dyeing of garments since the year 2005 and has operated the unit without valid CTO from the year 2005 to 2019 without installation of Effluent Treatment Plant and was discharging untreated effluent into sewer without legal permissions. That except the alleged report of the Excise and taxation Department, nothing has been brought on record by the Respondent Board to show that the Appellant was carrying on the work of dyeing and washing from the year 2005-2019 and that there was actual violation on part of the Appellant herein. At the outset it is submitted that the alleged report dated 13.05.2024 of the excise and taxation department was never provided to the Appellant herein and it is only through the reply filed by the Respondent Board before this Hon'ble Tribunal that the Appellant has got hands on the said report. That passing an order based on a report that was

never supplied to the Appellant herein also amounts to grave violation of the principles of natural justice on part of the Respondent Board. Further, a perusal of the said report attached by the Respondent Board as Annexure-P at Page 510 of the court file would reflect that the said matter originated only after the filing of a complaint by Mr. Sunil Verma, who as detailed in the Appeal already is a competitor and a business rival of the Appellant herein and is also hand in gloves with the Respondent Board. That further the perusal of the said report would also show that the same has been made based upon the two invoices submitted by Mr. Sunil Verma. The report allegedly states that: *'This shows that both the parties were engaged in business and has duly has duly accounted the transactions in there returns....From the above it may be concluded that Sumit Knit Fab having TIN 03422010923 is doing dyeing in year 2009-10.'* At the outset it is relevant to mention herein that **the report nowhere mentions that the Appellant was engaged in the work of dyeing from the year 2005-2019 as alleged by the Respondent Board in the impugned order as well as in the reply filed by them before this Hon'ble Tribunal and the same simply states the year as 2009-10.** Further, the report is completely unreliable as it is in totality based only upon two invoices that too submitted by a person who is a competitor and a business rival of the Appellant herein. As would be clear from the report it simply states based on two invoices that the Appellant was engaged in the business of dyeing with one Hinker Knits India Pvt. Ltd. It has already been submitted by the Appellant herein in the Appeal that from 2003-2018 the Appellant was engaged in the manufacturing and re-selling of knitted fabric. It is submitted that the Appellant herein used to outsource the work of dyeing (with the dyer using his own dyes), but the Appellant started receiving complaints from its customers regarding the poor quality of dye being used. It is imperative to mention herein that the units to whom the Appellant used to out-source the work of dyeing, used poor or low quality of dyes (including cheaper Chinese dyes) and the customers therefore were not satisfied with the final product. That therefore so as to achieve customer satisfaction and for the purpose of cost cutting so as survive in a highly competitive market, the Appellant started buying dyeing chemicals himself at a much

lesser price from the market and gave it to the dyer for dyeing the fabrics of the Appellant. That therefore, the invoices based on which the report has been submitted pertains to the dyes bought by the Appellant to give to the dyer for dyeing the fabrics of the Appellant. That even otherwise, just based on two purchase invoice it cannot be alleged that the Appellant herein was engaged in the work of dyeing prior to the year 2019. The Municipal Corporation issued a letter dated 09.02.2021 to the Respondent Board stating that the effluent discharge connection of the Appellant unit has been regularized only from 09.04.2019. That further, a response letter dated 17.02.2021 was also issued by Office of Assistant Commissioner State tax, Ludhiana-3 to the Respondent Board stating that **"as per the record, the firm was registered on the VAT portal w.e.f 31 May 2005 for manufacturing/resale of Knitted Cloth (copy enclosed). Moreover, the purchase invoices related to the purchase of dyeing unit machinery/equipment reflects that the firm was involved in dyeing operations in YF 2019-20"**. That another letter dated 20.11.2024 has been issued by the office of the Deputy/Assistant Commissioner, CGST Division, Ludhiana stating that: **'This is to certify that M/s Sumit Knit Fab, 3B Industrial Area Extension, Ghorewali Road Ludhiana falls under the jurisdiction Range V, CGST Division, Ludhiana. They have installed Dyeing Unit in FY 2018-19 and machinery in this regard was purchased from the period 01.12.2018 to 17.09.2020. They have commenced production after 13.05.2019 as per the Certificate issued by Punjab Pollution Control Board, Zonal Office -1, Ludhiana. The details Suppliers from whom said machinery has been purchased reflect in the GSTR 2A for the Financial Years 2018-19, 2019-20 and 2020-21.'** The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

18. That in response to the contents of the corresponding paragraph it is submitted that the principle of Polluters Pay as laid down by the Hon'ble Supreme Court is not applicable to the facts and circumstances of the present case as there is no pollution or environmental degradation whatsoever being caused by the Appellant Industry. It is reiterated that from the year 2003 till 2018 the industry was engaged only in

manufacturing/re-sale of knitted fabric, and it was only in the year 2019 that the scope of work changed to washing and dyeing and since August 2021 the industry has been operating on Zero Liquid Discharge. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

19. That in response to the contents of the corresponding paragraph it is submitted that it is not the case of the Respondent Board that an opportunity of hearing was granted to the Appellant herein before finalizing the period and quantum of Environmental Compensation. Therefore, the same proves the fact that the impugned order was passed by the Respondent Board in complete violation of the principles of natural justice. That a show cause notice dated 18.06.2024 was issued by the Respondent Board with respect to the imposition of EC and fixing 27.06.2024 as the date of hearing before the Chairman of the Respondent Board. However, **the show cause notice failed to mention either the duration/method or the quantum of compensation proposed to be imposed on the Appellant.** That the Appellant attended the hearing before the Chairman on 26.07.2024 and submitted a written reply to the Respondent Board. That the proceedings of the personal hearing held on 27.06.2024 were communicated to the Appellant vide letter dated 03.07.2024. That the proceedings state that "***the matter may be referred to the Environmental Compensation Verification Committee for imposition of Environmental Compensation***". It is imperative to mention herein that neither quantum of compensation nor period of violation was specified by the Respondent Board in the show cause notice dated 18.06.2024. **That after the personal hearing held on 27.06.2024 the matter was referred to the Environmental Compensation Verification Committee, which finalized the quantum of compensation and period of violation without giving an opportunity of hearing to the Appellant herein.** That it was incumbent upon the Respondent Board as well the Committee to issue a show cause notice to the Appellant herein stating the proposed period of violation and proposed quantum of compensation and provide an opportunity of hearing to the Appellant herein so as to show cause why the proposed environment compensation should not be levied on the unit. That the prescribed procedure has not been adopted

by the Board and the Committee before finalizing the quantum of compensation and period of violation. That the quantum of compensation and period of violation were communicated to the Appellant herein only through the impugned directions dated 24.07.2024. That by not providing an opportunity of hearing to the Appellant herein before assessing the quantum of compensation and the period of violation, the Respondent Board as well as the Environmental Compensation Verification Committee have violated the principles of Natural Justice. That not providing an opportunity of hearing to the Appellant herein before taking the final decision amounts to serious procedural lapse on part of the Respondent Board and the Committee fatal to the impugned order. It is submitted that the decision-making process including the decision regarding quantum of compensation should be transparent. That this Hon'ble Tribunal in the matter titled as Anjum vs. Uttar Pradesh Pollution Control Board (Appeal-28/2023) has held that: "Some may be for execution of functioning of the concerned proponent, and some may have adverse effect upon his right to carry on process/operation including fastening liability, financial or otherwise. The directions which would have adverse effect upon proponent in the matter of running of its process or project or industry or operation or otherwise confer any liability upon it, such directions, in our view, cannot be issued without complying with the principle of natural justice." In another order dated 21.07.2020 passed by the Hon'ble Tribunal in Appeal No. 9/2020(SZ), Piramal Enterprises Limited vs. Telangana Pollution Control Board, it is was stated that: "Since, compensation being a monetary liability, before fixing the same, an opportunity ought to have been given by the Pollution Control Board to the appellant unit which is the basic principle of following the principles of natural justice of being heard before final orders are being passed." That in the present case of the Appellant Industry, the impugned order dated 24.07.2024 passed by the Board imposing Environment Compensation and requiring the Appellant to pay the same by applying principle of 'Polluter Pays' is a quasi-judicial order as it imposes huge financial liability upon it and without giving any effective opportunity of hearing and complying with the principles of natural justice, such liability cannot be fastened upon the

Appellant. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

20-21. That the contents of the corresponding paragraphs are wrong and hence denied. It is denied that the above recorded facts confirm and establish that the appellant unit has been operated for the purpose of dyeing garments since the year 2005 upto the year 2019 without the valid permission / consent to operate of the Board under the provision of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981. It is denied that the unit has been further operated by the appellant without installation of the effluent treatment plant and the untreated effluent without any treatment was being discharged into the public sewer leading to water pollution. It is denied that the Appellant is liable to pay the amount of Rs. 6,42,25,000/- towards Environmental Compensation to the Board. It is reiterated that the Appellant Industry was engaged only in the manufacturing and re-selling of knitted fabric from 2003-2018 and it was only in the year 2019 that the Appellant Industry started the process of dyeing and washing. It is further reiterated that Sh. S.L. Verma (proprietor of M/s Megaline dyeing and finishing house) is a business competitor of the Appellant, with both parties specializing in indigo washing. In 2019, when the Appellant established his dyeing and washing machinery, Sh. S.L. Verma approached the Appellant, requesting an increase in the rate for dyeing operations to equalize customer traffic. The Appellant refused to do the same, and since then, Sh. S.L. Verma has pursued a campaign against the Appellant by filing various frivolous complaints against his unit. Furthermore, Sh. S.L. Verma enjoys the support of Sh. Sant Balbir Singh Sichewal, M.P., who is allegedly complicit in efforts to completely undermine the Appellant's business. It is essential to mention that following the issuance of order by the Respondent Board, the Appellant had multiple meetings with officers of the Respondent Board and other relevant authorities. During these meetings, the Appellant was repeatedly advised to approach Sh. Sant Balbir Singh Sichewal, M.P. to settle the matter permanently. The Appellant's refusal to engage in such conduct has resulted in ongoing harassment due to the misuse of power by the

Respondent Authorities and the aforementioned political leader, Sh. Sant Balbir Singh Sicheval, M.P. It is imperative to mention herein that the Appellant Industry started the work of dyeing and washing only in the year 2019 after obtaining Consent to Operate from the Respondent Board and since August 2021 the industry has been operating on Zero Liquid Discharge. There is no pollution or environmental degradation whatsoever being caused by the Appellant Industry. The contents of the preliminary submissions are reiterated and not repeated herein for the sake of brevity.

In light of the facts and circumstances mentioned herein above, it is prayed that this Hon'ble Tribunal may be graciously pleased to:

- i. Take the present Rejoinder as well as the Annexures attached on record;
- ii. Pass such other/ further Order(s) as this Hon'ble Tribunal may deem fit and proper in the facts of the present matter in favour of the Appellant.

PLACE: DELHI

DATE: 13 /01/2025



A.R. TAKKAR, SHRIYA TAKKAR, UNNATI ANAND, KAPIL BAKSHI,



AASTHA TYAGI, MANAN TAKKAR, SMRITI SRIVASTAVA,



DEVIKA SINGH ROY CHOWDHURY & JAGRITI SANGWAN  
ADVOCATES



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## BEFORE THE HON'BLE NATIONAL GREEN TRIBUNAL AT DELHI

APPEAL NO. 37 OF 2024IN THE MATTER:

M/S SUMIT KNIT FAB, 3-B, INDUSTRIAL AREA-A EXTENSION, GHORE WALI ROAD, LUDHIANA PUNJAB-141010, THROUGH ITS PROPRIETOR RISHI JETHI. ....APPELLANT

## VERSUS

PUNJAB POLLUTION CONTROL BOARD & ORS. ....RESPONDENTS

AFFIDAVIT

I, Rishi Jethi S/o Sh. Vinod Kumar aged about 47 Years, Proprietor of M/s Sumit Knit Fab, R/o 3-B, Industrial Area-A Extension, Ghore Wali Road, Ludhiana Punjab-141010.

I the above named deponent do hereby solemnly affirm and declare as under:-

1. That the above titled Rejoinder has been drafted under the authority and instructions of the deponent and after perusing its contents, the deponent has duly signed it, and the contents of paragraph Nos. 1 to 21 thereof are true and correct to the knowledge of the deponent, and the same may be read as contents of this affidavit also, which are not being reproduced for the sake of brevity. No part of it is false and nothing material has been kept concealed therefrom.
2. That the contents of paragraphs no. 1 to 21 of above tilted Rejoinder are true and correct to my knowledge, no part of that is false and nothing has been kept concealed therefrom.



3. That the Annexures attached with the Rejoinder are true copies of their respective originals.

Certified that the affidavit/SPA/GPA has been readover & explained to the deponent/execution who seemed directly to understand the same at the making thereof

For Sumit Knit Fab

Rishi Jethi  
Prop.

**DEPONENT**

**VERIFICATION**

Verified that the contents of paragraphs no. 1 to of my above affidavit are true and correct to my knowledge. No part of it is false and nothing has been concealed therein.

For Sumit Knit Fab

Rishi Jethi  
Prop.

**DEPONENT**

ATTESTED AS IDENTIFIED  
NOTARY PUBLIC  
LUDHIANA (PB.) India

9088  
10/1/2025



599

ANNEXURE - A1  
29



ਪੰਜਾਬ ਪ੍ਰਦੂਸ਼ਣ ਰੋਕਥਾਮ ਬੋਰਡ  
PUNJAB POLLUTION CONTROL BOARD



Tel. 0161-4678789

www.ppcb.punjab.gov.in

email:ppcbrol@yahoo.com

No./R.O/LDH-I/.....1905

Through email

Dated...10/12/24

To

M/s Sumit Knit Fab,  
3-B, Industrial Area-A Extension, Gore Wali Road,  
Ludhiana.

**Sub:** Imposition of Environmental Compensation for violation of the provisions of Environmental Laws.

**Ref:** Board order no. 471 dated 05.12.2024.

Please find enclosed herewith the Board order issued vide no. 471 dated 05.12.2024 for immediate compliance.

DA/As above

  
10/12/24  
Environmental Engineer



No. 471

ਪੰਜਾਬ ਪ੍ਰਦੂਸ਼ਣ ਕੰਟਰੋਲ ਬੋਰਡ  
PUNJAB POLLUTION CONTROL BOARD

Dated. 5/12/202

**Subject:** Imposition of Environmental Compensation upon M/s Sumit Knit Fab, B-3, Industrial Area-A, Extension, Ludhiana for violation of the provisions of Environmental Laws.

**Order**

The Punjab Pollution Control Board being the statutory regulatory authority is implementing the provisions of the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment (Protection) Act, 1986 and the rules made there under in the State of Punjab. The main objective of the Board is maintaining or restoring the wholesomeness of water, the preservation of the quality of air and the protection and improvement of the environment.

2) The Ministry of Environment, Forest & Climate Change (MoEF&CC), Government of India has declared various clusters in the Country as Critically Polluted Areas (CPA), Severely Polluted Area (SPA) based on Cumulative Environmental Pollution Index (CEPI) score. Due to increased industrialization, activities of the Industrial units and some other identical reasons, Ludhiana city has been declared as Critically Polluted Area by the Central Pollution Control Board.

3) Briefly stated that the industry is a small scale red category unit engaged in the process of dyeing and washing of the garments.

4) Earlier, a compliant was received against the unit regarding illegal operation of the unit. To verify the facts the site of unit was visited by Senior Officers of the Board on 03.01.2019 and it was found that the industry was operating without consent of the Board. The industry had installed the ETP but untreated effluent was being discharged into sewer. The ETP was found not in operational condition. The effluent samples were collected and as per analysis report, various parameters were found beyond the prescribed limits of the Board [BOD-122 against 30 mg/l, TSS- 129 against 100 mg/l, COD-384 against 250 mg/l].

5) Due to above violation, the direction u/s 33-A of the Water Act, 1974 & 31-A of the Air Act, 1981 were issued to the PSPCL vide Board's letter no. 638-641 dated 02.08.2019 for disconnection of the electric connection available with the industry. In compliance of above, the electric connection was disconnected by the PSPCL authorities. Thereafter, the industry had applied 'Consent to Operate' and for restoration of electric connection of the unit.

ਵਾਤਾਵਰਣ ਭਵਨ, ਨਾਭਾ ਰੋਡ, ਪਟਿਆਲਾ - 147001

Vatavaran Bhawan, Nabha Road, Patiala - 147001

Phone : Chairman : 0175-2215793, Member Secretary : 0175-2215802 (O), 2215636 (FAX)

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## PUNJAB POLLUTION CONTROL BOARD



- 6) In light of 'Consent to Operate' applied by the unit, the short time 'Consent to Operate' was granted under Water Act, 1974 vide no. CTOW/Fresh/LDH1/2019/9836666 dated 13.05.2019 valid upto 12.11.2019 for trade effluent discharge @ 75 KLD into sewer after treatment through ETP & Air Act, 1981 vide no. CTOA/Fresh/LDH1/2019/9835498 dated 13.05.2019 valid upto 12.11.2019 & electric connection of the industry was also restored temporarily upto 12.11.2019 for six months to adjudge the adequacy of installed ETP by the industry.
- 7) The industry had again applied for renewal of 'Consent to Operate' of the Board on 05.11.2019 alongwith restoration of electric connection for further period. The industry was granted consent under Water Act, 1974 & Air Act, 1981 both valid upto 12.05.2020 & electric connection of the industry was also restored upto 12.05.2020.
- 8) The electric connection of the industry was disconnected by PSPCL Authorities vide TDCO no. 171/65668 dated 21.05.2020 due to expiry of temporarily restoration period.
- 9) The industry had again applied for renewal in validity of consent under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 alongwith restoration of electric connection.
- 10) The industry was visited by officer of the Board on 01.06.2020 and it was observed that the industry had installed UF & RO plant and is recycling approx. 50 % of water after UF-RO and is discharging about 35 KLD of waste water into sewer. The electric connection of the industry is lying disconnected from the Pole.
- 11) In light of the UF & RO system installed by the industry the 'Consent to Operate' under Water Act, 1974 & Air Act, 1981 was granted to the industry on 24.07.2020, both valid upto 23.01.2021 for recycling of 50 % UF and RO water and discharge remain 35 KLD into sewer as one RO was pending due to Covid/curfew. The electric connection of the unit was also restored temporarily upto 23.01.2021.
- 12) The industry had again applied for extension in the validity of Consent to operate under the Water Act, 1974 and Air Act, 1981 alongwith restoration of electric connection on 27.12.2020.
- 13) Meanwhile, a compliant was also received from office of Monitoring Committee constituted by Hon'ble NGT letter no. CMC/2020/981 dated 20.08.2020 for detailed enquiry in the matter and to submit action taken report within 21 days.
- 14) A team of the officers of the Board was also constituted by the Competent Authority for inspection of unit. The industry was visited by team of officers of the Board on 28.10.2020 and it was observed as under:
1. The industry has installed 6 no. washing machines, 2 no. tub dyeing machines, 5 no. electric dryer, 2 no. knitting machines and 3 no. tuning machines.

## PUNJAB POLLUTION CONTROL BOARD

- 2) The industry has installed ETP followed by RO system for treatment of trade effluent.
- 3) The representative of the industry informed during visit that earlier they were doing knitting, raising, tabling and fuse, printing, etc. since 2004 alongwith boiler. Tub dyeing is used as per demand & in case of fault during washing, cold dyeing is also done in washing milling machines.

15) The complainant had attached the copy of documents related to sale tax department regarding sale & purchase of the unit and permission of Municipal Corporation, Ludhiana. Therefore, the letter was issued to MCL vide letter no. 163 dated 11.01.2021 and to Assistant Excise and Taxation Commissioner, Excise and Taxation Department, Ludhiana vide letter no. 165 dated 11.01.2021 to intimate the date & year from which the industry is doing dyeing/washing process.

16) The industry was also issued show cause notice to submit its reply vide Board letter no. 713-14 dated 18.02.2021 on the points of complaint. The industry has submitted the reply of show cause notice issued to it, but report was awaited from Assistant Excise & MCL. Hence in view of ZLD system installed by the industry short time 'Consent to Operate' under the Water Act, 1974 & Air Act, 1981 dated 03.03.2021 valid upto 02.09.2021 for Zero Liquid Discharge and electric connection of the unit was also restored upto this period 02.09.2021 with special conditions that:-

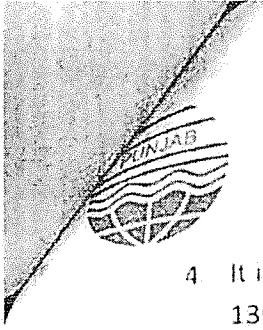
- a) The industry shall get the EMF meters installed at source of water supply as well as on recirculation system, within 15 days.
- b) The industry shall submit the copies of balance sheets alongwith copies of electricity bills from date of commissioning of the unit.

17) Thereafter, the industry was granted consent to operate under the Water Act, 1974 valid upto 30.6.2025 for Zero Liquid Discharge (ZLD). The industry was granted authorization under the Hazardous and other Waste Rules, 2016, valid upto 30.06.2027 for hazardous waste of category 5.1, 33.1 & 35.3.

18) Sh. SL Verma has filed a complaint against M/s Sumit knit fab through Sh. Sant Balbir Singh Sicheval MP and a committee is constituted by competent authority of the Board to enquire in the matter. The committee has submitted the report and raised some observations as per below:-

1. There is no account of 2026 KL. Whereas, the effluent may either be directly disposed off after the ETP plant to MC sewer without evaporation to save cost of energy involved in evaporation.
2. There is possibility of unmetered water source from where the water is taken for processing activities but is not accounted in records.
3. RO is not functioning properly and efficiently and there are chances that the industry might be discharging its treated effluent without reusing in the process.

## PUNJAB POLLUTION CONTROL BOARD



4. It is neither feasible nor advisable to use treated effluent with such a high TDS of around 1300 ppm for boiler feed or for dyeing/washing process as it will affect the boiler infrastructure as well as affect the quality of product being manufactured by the industry.
5. The possibility of discharge of effluent through flexible pipe from ETP or RO plant can't be ruled out.
6. The industry is not treating whole of the effluent through RO plant and about 2026 KL of effluent was found unaccounted. Hence, the quantities of RO reject will be much more as compare to 658 KL as recorded by the industry.
7. The hazardous waste of cat. 33.1 were found scattered here & there and no record was maintained.
8. The industry has not provided proper display board outside the hazardous waste storage room as only a computerized paper is pasted there.
9. The industry has failed to submit any record of bills or documents to justify the regular and periodic maintenance of RO plant. Further, no bill regarding change of membrane or RO plant was produced.
10. The industry has not complied with the condition of consent for providing automatic dosing arrangement for optimum chemical / coagulants in its ETP instead of manual system.
11. It has been apprehended that domestic effluent of the industry might be discharged into sewer through toilets.

19) In view of above, the industry was issued notice u/s 33-A of the Water Act, 1974 as well as show cause notice for revocation of consent to operate under the Water Act, 1974 and revocation of authorization under the Hazardous and other Waste Rules, 2016 alongwith notice for imposition of EC with hearing before Chairman of the Board on 25.04.2024, wherein some of the decisions that:-

1. The consent to operate granted to the industry under the Water (Prevention & Control of Pollution) Act, 1974 and authorization granted under the Hazardous and other Waste (Management & Transboundary Movement) Rules, 2016 be revoked.
2. The directions u/s 33-A of the Water (Prevention & Control of Pollution) Act, 1974 be confirmed for closure of the industry and disconnection of electric connection.
3. All the D.G. sets existing in the premises of the industry be sealed.
4. A reminder be issued to MCL in continuation to letter no. 163 dated 11.01.2021 and to Assistant Excise and Taxation Commissioner, Excise and Taxation Department, Ludhiana in continuation to letter no. 165 dated 11.01.2021 to intimate the date & year from which the industry is doing dyeing/washing process.
5. The amount of Environmental Compensation be calculated after receipt of reply from MCL and Excise and Taxation Department, Ludhiana.

## PUNJAB POLLUTION CONTROL BOARD

- 6) The Environmental Engineer, Regional Office-1, Ludhiana shall verify the year wise installation / addition of machinery by the industry and pursue the matter with MCL and Excise and Taxation Department for early response.
- 20) The Excise and Taxation Department, Ludhiana has submitted its report that the unit has made purchases from the firms dealing in dyes and chemicals in the year 2005 and is carrying out the dyeing process. The unit is in the business of dyeing of Garments since, 2005.
- 21) In compliance of decisions of hearing dated 25.04.2024, the industry was issued directions u/s 33-A of the Water (Prevention & Control of Pollution) Act, 1974 vide Board's letter no. 2502-03 dated 29-04-2024 to its closure and to PSPCL Authorities vide Board's letter no. 2504-05 dated 29-04-2024 for disconnection of electric supply available with the industry. In compliance of above directions, the PSPCL Authorities was disconnect the electric supply of the industry vide TDCO letter no. 104/11 dated 29.04.2024. The consent to operate granted to the industry under the Water (Prevention & Control of Pollution) Act, 1974 was also revoked by the Board..
- 22) To verify the same, the industry was visited by officer of the Board on 29.04.2024 and it was observed that the electric connection of the industry found disconnected in compliance to the directions issued by the Competent Authority. The process got stopped during the visit & after shutting down the D.G set. The D.G set was sealed by the officer of the Board in the presence of the industry.
- 23) It is clear from the latest report of the committee that the ZLD system adopted by the industry suffers from various loopholes and major violations have been reported in the functioning of the ZLD system adopted by the industry by the committee. It is also hereby mentioned that though the request of the industry for temporary restoration of the electric supply was considered from the period from 2019 to 2020 however as the industry was operating the same ZLD system in that period also, as such it would be technically as well as legally appropriate to impose EC on the unit from 26.04.2019 to 29.04.2024 on account of violations.
- 24) It is pertinent to mention here that the Hon'ble Supreme Court of India has considered the concept of Polluter Pay's Principle in Indian Council for Enviro Legal Action and Others v/s Union of India and Others (1996) 3SCC 212, Vellore Citizens Welfare Forum v/s Union of India (1996) 5 SCC 647 and held that Polluter Pay's Principle is accepted principle and part of environmental law of the country even without specific statute.
- 25) Above facts are sufficient for the imposition of Environmental Compensation by invoking the Principle of Polluter Pays and the industry thus made itself liable for Environmental Compensation under the Polluter Pay's Principle for the period of violation from 26.04.2019 to 29.04.2024.

## PUNJAB POLLUTION CONTROL BOARD



26) Thus, in view of the above recorded facts, the matter was considered for imposition of Environmental Compensation for the period of violation from 26.04.2019 to 29.04.2024 in accordance with the formula and methodology evolved by the Central Pollution Control Board and adopted by the Punjab Pollution Control Board. The amount of Environmental Compensation for the period of violation from 26.04.2019 to 29.04.2024 (1831 days) was calculated to be Rs. 91,55,000/- as per following details:

EC	=	$PI \times N \times R \times S \times LF$
PI	=	80 (Since industry is violating Water Act, 1974 & Air Act, 1981 and is Red category industry)
N	=	1831 (Days calculated w.e.f 26.04.2019 to 29.04.2024 (Date of disconnection of electric supply))
R	=	100 (Since industry is small scale Red category industry, hence, R factor has been taken as 100)
S	=	0.5 (Since scale is small)
LF	=	1.25 (Since the project proponent is located in city with population less than 1 million)
EC	=	$80 \times 1831 \times 100 \times 0.5 \times 1.25 = \text{Rs. } 91,55,000/-$

27) Therefore, the industry is hereby directed to deposit an amount of Rs. 91,55,000/- as Environmental compensation for the period of violation from 26.04.2019 to 29.04.2024 with the office of the Punjab Pollution Control Board within 15 days, from the date of receipt of this order, failing which, the Board shall be constrained to initiate necessary action for recovery of the amount of Environmental Compensation by adopting coercive measures, thereafter.

28) Take notice that no further intimation or reminder will be issued by the Board in this regard. Environmental Engineer, Punjab Pollution Control Board, Regional Office-1, Ludhiana is directed to ensure compliance of directions issued in the case. A copy of this order be supplied to all the concerned for compliance.

Adarsh Pal Vig  
(Prof. (Dr.) Adarsh Pal Vig)  
Chairman

u  
True Copy

606

ANNEXURE - A/2  
36 (copy)

STO  
Hand No 64  
18/11/2024

Date 14/11/2024

To

ASST STATE TAX COMMISSIONER  
DISTRICT-4  
LUDHIANA

SUB: APPLICATION REGARDING ISSUE OF CERTIFICATE  
REGARDING INSTALLATION OF MACHINERY IN OUR UNIT M/S SUMIT  
KNIT FAB.

RESPECTED SIR,

IT IS RESPECTFULLY SUBMITTED TO YOU YOUR HONOR THAT OUR  
STATEMENT WAS RECORDED ON 9/05/2024. IN THE NAME OF [MR.  
RISHI JETHI] PROPRIETOR OF M/S SUMIT KNIT FAB IN YOUR OFFICE IN  
WHICH WE HAVE STATED THAT AS PER YOUR VERSION THAT TWO  
BILLS FOR THE YEAR 2009-10 WERE SHOWN IN OUR VAT-24 OF THESE  
TWO BILLS IT IS MENTIONED AS [SWEATER O/D WASHING] IN THE  
RETURNS OF BOTH THE PARTIES.

AND WE HAVE SUBMITTED THAT REGARDING THESE TWO BILLS FOR  
THE YEAR 2009-10 0199 DATED 18/08/2009 0198 DATED 14/08/2009  
WE HAD GOT OUR JOB WORK DONE FROM OUTSIDE JOBWORKER AND  
PHOTOCOPY [CHALLAN] OF THE WORK DONE IS ATTACHED AS PER  
YOUR REQUIREMENT.

The firm falls under Central  
Jurisdiction under Ludhiana Central  
Range V. Hence Refund Certificate  
for future action  
ACST. 18/11/2024  
ETO

FURTHER AS PER OUR STATEMENT BEFORE YOUR GOODSELF ON 9/05/2024 THAT WE HAVE PUCHASED THE MACHINE OF DYEING IN THE YEAR 2018-19 AND 2019-20. BUT ON THAT DAY WE HAVE NOT SUBMITTED THE COPY OF THE BILLS BUT NOW WE OUR SUBMITTING THE COPY OF THE BILLS PUCHASED INVOICES OF THAT YEAR 2018-19, 2019-20. AND COPY OF BALANCED SHEETS IS ALSO ATTACHED FOR YOUR RECORD.

FURTHER WE ARE ALSO SUBMITTING YOUR GOODSELF COPY OF LEDGER ACCOUNT AND MODE OF PAYMENT IS ALSO BY CHEQUE, COPY OF BANK ACCOUNT IS ATTACHED, COPY OF GSTR RETURN SHOWING PURCHASES IN THE FORM GSTR-2A IS ALSO ATTACHED FOR YOUR RECORD.


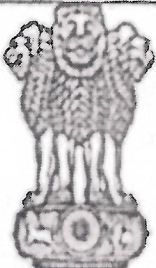
RESPECTED SIR AS WE ARE GENUINE BUSINESSMAN DOING BUSINESS OF DYEING FROM 2018-19. AS DUE TO COMPITETION IN THE DYEING INDUSTRY OUR COMPETETORS ARE MAKING FALSE COMPLAINTS OF OUR BUSINESS. DUE TO THESE COMPLAINTS WE ARE SUFFERING LOSSES IN OUR BUSINESS.

DUE TO THESE COMPLAINTS OUR BUSINESS IS ALMOST DOOMED. SO, IT IS A REQUEST TO YOUR GOODSELF THAT KINDLY ISSUE A CERTIFICATE THAT WE HAVE INSTALLED MACHINERY AT OUR BUSINESS PREMISSES IN YEAR 2018-19.

 THANKING YOU  
M/S SUMIT KNIT FAB

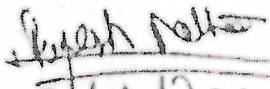
3-B INDUSTRY AREA A' EXTENSION

LUDHIANA

	<p><b>OFFICE OF THE DEPUTY/ASSISTANT COMMISSIONER, CGST DIVISION, LUDHIANA CENTRAL FORTUNE PLAZA, 2<sup>ND</sup> FLOOR, OPP. HERO CYCLE G.T. ROAD, LUDHIANA. Email: cgst-div-cen-ldh@gov.in</b></p>	 सत्यमेव जयते
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TO WHOMSOEVER IT CONCERNS

This is to certify that M/s Summit Knit Fab, 3B Industrial Area Extension, Ghorewali Road Ludhiana falls under the jurisdiction Range V, CGST Division, Ludhiana. They have installed Dyeing Unit in FY 2018-19 and machinery in this regard was purchased from the period 01.12.2018 to 17.09.2020. They have commenced production after 13.05.2019 as per the Certificate issued by Punjab Pollution Control Board, Zonal Office -I, Ludhiana. The details Suppliers from whom said machinery has been purchased reflect in the GSTR 2A for the Financial Years 2018-19, 2019-20 and 2020 -21.

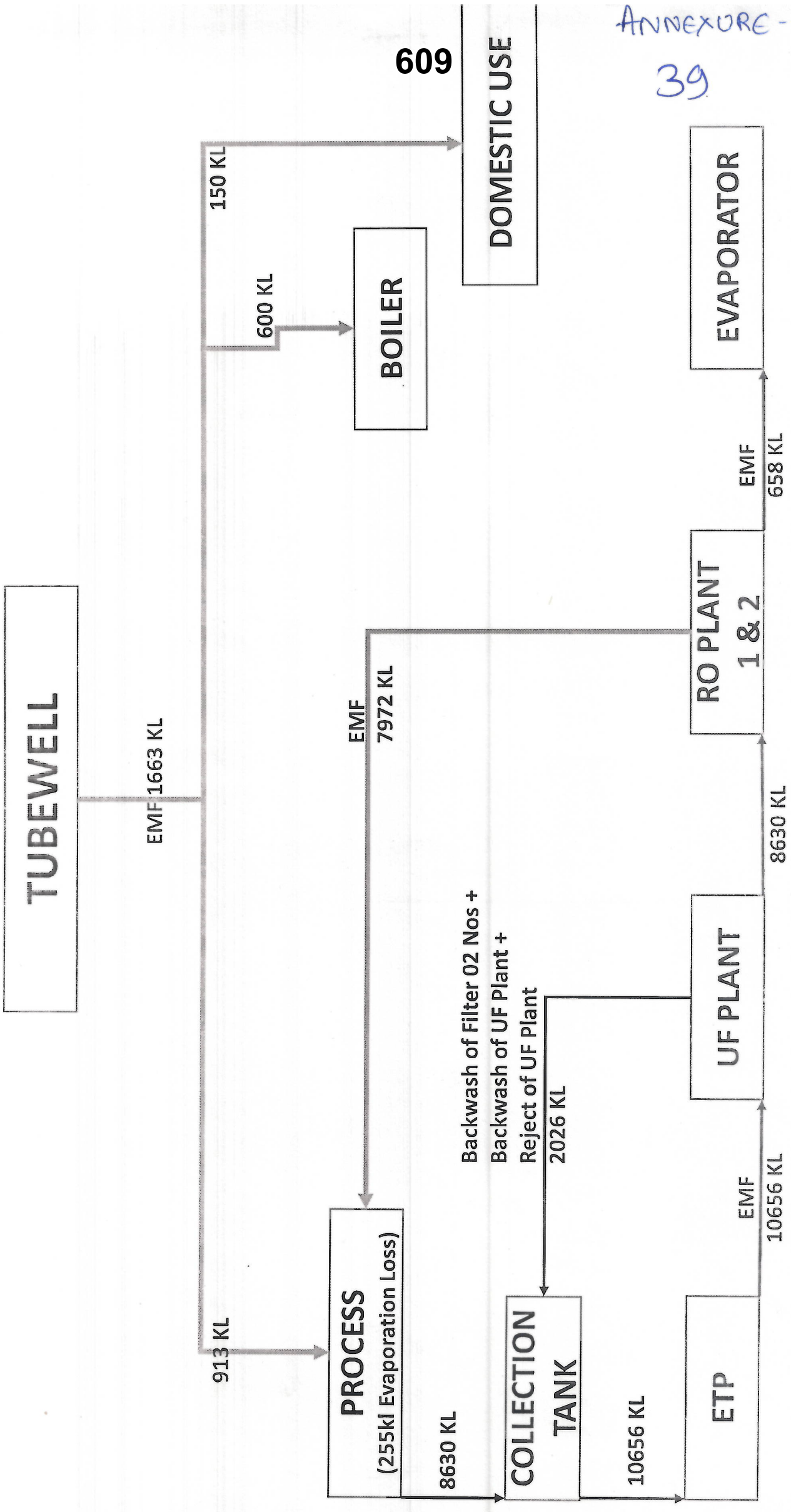
  
 20/11/2024.  
 Superintendent(Range V)

राजेश नाथू  
 CGST Div. Ludhiana  
 SUPERINTENDENT

  
 "True Copy"

Signed by Rajesh Nathoo  
 Date: 20-11-2024 18:54:11

ANNEXURE - A/3.  
39



Tm Gpy

Evaporation Loss in Process is 8885KL-8630KL=255KL

**Proof of Service**

40

KK MAVI &lt;kkmavi853@gmail.com&gt;

**Advance Service: Rejoinder - Appeal : 37 of 2024 titled as Sumit Knit Fab vs. PPCB.**

1 message

Unnati &lt;Unnati@artlo.in&gt;

Mon, Jan 13, 2025 at 10:44 AM

To: "chairman.ptl.ppcb@punjab.gov.in" <chairman.ptl.ppcb@punjab.gov.in>, "chairmanppcb@yahoo.co.in" <chairmanppcb@yahoo.co.in>, "msppcb@gmail.com" <msppcb@gmail.com>, "msppcb@punjab.gov.in" <msppcb@punjab.gov.in>, "ppcbzo1ldh@gmail.com" <ppcbzo1ldh@gmail.com>  
Cc: KK MAVI <kkmavi853@gmail.com>, Prince <prince@artlo.in>

Dear Sir,

Please find attached herewith the Rejoinder on behalf of the Appellant in Appeal : 37 of 2024 titled as Sumit Knit Fab vs. PPCB.

Please treat this as Advance Service.

Regards

Unnati Anand  
Advocate  
Sr. Associate  
ARTLO


email : [unnati@artlo.in](mailto:unnati@artlo.in)  
website : [www.artlo.in](http://www.artlo.in)

NEW DELHI :  
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Fax: +91 124 4210005

CHANDIGARH :  
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Chamber No-19 ,New Bar Room ,  
High Court Complex, Chandigarh  
Tel: +91 172 2562681

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 **Rejoinder Sumit knits.pdf**  
10404K