



**Speed Post**

B-190198/WQM-II(RG)/CPCB/Sugar/52/2019-20

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30/06/2021

To,

M/s Majhaulia Sugar Industries Pvt. Ltd.,  
(Jay Shree) Majhaulia, West Champaran, Betiah  
Bihar - 845454

**MODIFIED DIRECTIONS UNDER SECTION 5 OF THE ENVIRONMENT  
(PROTECTION) ACT, 1986**

**WHEREAS**, the Central Government has notified the standards for discharge of environmental pollutants from various categories of industries under the Environment (Protection) Act, 1986 and the rules framed there under; and

**WHEREAS**, the Ministry of Environment & Forests, Govt. of India, vide notification S.O. 157(E) of 27.02.1996 has delegated powers vested under Section 5 of the Environment (Protection) Act, 1986 (29 of 1986) to the Chairman, Central Pollution Control Board (CPCB), to issue direction to any industry, Municipal Corporation, Municipal Council, Cantonment Board to any local or other Authority for the violation of emission and effluent standards notified under the Environment (Protection) Rules, 1986; and

**WHEREAS**, it is obligatory on the part of industries to install effluent treatment plants (ETPs) to comply with the effluent discharge standards as notified under the Environment (Protection) Act, 1986 and the Rules framed thereunder and also to meet the consent conditions granted by the State Pollution Control Board (SPCBs) / Pollution Control Committees (PCCs); and

**WHEREAS**, M/s Majhaulia Sugar Pvt. Ltd, West Champaran, Bihar - 845454 (hereinafter referred as 'the Unit') is involved in the process of sugar manufacturing from crushing of cane; and

**WHEREAS**, the unit was issued Show Cause Notice dated 26.04.2018 under Section 5 of the Environment (protection) Act, 1986 to the unit; and

**WHEREAS**, the unit submitted water balance and ETP adequacy verification report prepared by VSI, Pune vide letter dated 09.06.2018; and

**WHEREAS**, CPCB through an Expert Committee comprising of experts from National Sugar Institute (NSI), Kanpur, Vasantdada Sugar Institute (VSI), IITs and representatives from sugar mills prepared a Charter for Water Recycling and Pollution Prevention (thereafter referred to as the Charter); and

**WHEREAS**, a meeting of sugar mills operating in the State of Bihar, representatives of the Bihar State Pollution Control Board (BSPCB) and CPCB was held on 10.08.2018 under Chairmanship of Chairman, BSPCB and the following decisions were made

1. Sugar Mills shall submit an action plan to CPCB by 20.08.2018 regarding the steps taken by them pertaining to the notices issued to them. Also they shall submit action plan to implement recommendations of their adequacy assessment report.
2. All sugar mills shall ensure implementation of Charter and shall submit action plan to CPCB by 15.09.2018.
3. All sugar mills shall ensure the upgradation of their ETP within August, 2018 so as to ensure no interruption in functioning of the ETP in the following seasons.
4. All sugar mills shall maintain a logbook on ETP operations on a daily basis.
5. ETP shall be operational at all times and all bypass arrangements should be dismantled with immediate effect.
6. MLSS in aeration tanks should be maintained at 2000-2500 mg/l.
7. All sugar units shall set up environmental laboratories for regular analysis of raw and treated effluent thereby ensuring proper functioning of the ETP.
8. All sugar mills shall employ dedicated technicians for operating and regular maintenance of ETP and shall also ensure that the technicians are given proper training on ETP maintenance and lab analysis on regular basis.
9. To ensure proper training of the environmental technicians all sugar mills shall facilitate training of 5 employees.
10. All sugar mills may establish an Environment Management Cell at their level consisting of concerned officials in order to ensure compliance with environmental standards at industry level itself.

**AND WHEREAS**, the unit has submitted its replies vide letters dated 16.05.2018, 09.06.2018, 16.06.2018 and 18.08.2018 along with the action plan for implementation of recommendations of adequacy report; and

**WHEREAS**, CPCB issued directions dated 22.10.2018 under section 5 of Environment (Protection) Act, 1986 to the unit, to comply with the following directions before commencement of crushing season 2018-2019;

1. The unit shall start its operation only after obtaining the valid consent from the Bihar State Pollution Control Board.
2. The unit shall implement all the observation & recommendation of the revalidated adequacy assessment of ETP.
3. The Unit shall submit the irrigation management plan duly validated by NSI/VSI/IITs.
4. The unit shall install sealed flow meters along with running hours meter on bore wells so as to ascertain usage of fresh water for various uses.
5. The unit shall install flow meters at major areas of cold and hot water consumption.
6. The unit shall install flow meters for measuring generation of effluent from various prominent areas.
7. The unit shall maintain logbook for individual process unit for recording daily water consumption and effluent generation also.
8. The unit shall carry out colour coding of pipelines carrying recycled process water and fresh process water.

9. The Unit shall commission the mechanical sludge handling system of adequate capacity.
10. The Unit shall carry out analysis of parameters of treated effluent notified under the Environment (Protection) Rules, 1986 on daily basis and maintain its logbook.
11. The unit shall submit the implementation status of the Charter in the form of an Affidavit and the documentary proof of the completion of the work as committed in the action plan.
12. The unit shall submit the implementation status of the Charter and performance adequacy audit of ETP including actual assessment of water consumption and effluent generation duly validated by reputed expert institute namely NSI Kanpur, VSI Pune, IITs during crushing season & submit the report to the CPCB within 60 days of resumption of operation.

**AND WHEREAS**, the unit vide letter dated 24.11.2018 submitted their compliance report of CPCB directions dated 22.10.2018 and affidavit regarding implementation of the charter before crushing season 2018 – 19; and

**WHEREAS**, the unit vide letter dated 18.03.2019 submitted the following documents:

1. Consent to Operate under the Water Act' 1974 and the Air Act, 1981 valid upto 30.09.2023.
2. Irrigation plan for the utilization of treated effluent.
3. Water Balance and ETP Adequacy Verification report prepared by VSI in December' 2018.

**AND WHEREAS**, the unit was inspected on 27.03.2019 by a team of CPCB officials and the following observations were made:

1. The unit and ETP were operational at the time of inspection.
2. The unit was discharging effluent through drain into river Kahara. Analysis of effluent sample collected from drain showed pH-5.7 against the norms of 5.5-8.5, **BOD- 868 mg/l** against the norms of 30mg/l, **TSS - 113mg/l** against the norms of 30mg/l, **COD-1452mg/l** against the norms of 250 mg/l which indicate non-compliance as per the surface discharge norms under the Environmental (Protection) Act, 1986.
3. Analysis of treated effluent sample collected from ETP Outlet showed pH-7.8 against the norms of 5.5-8.5, BOD- 34 mg/l against the norms of 100mg/l, TSS- 71 against the norms of 100mg/l, and COD-191 mg/l against the norms of 250mg/l. Aeration tank was not functioning properly where anaerobic condition was observed as DO was found nil. High value of Settleable solids - 440 mg/l, MLSS -3228 mg/l and MLVSS - 2671 mg/l were observed in aeration tank.
4. The unit has not installed flow meters at most of the cold-water distribution locations.
5. The unit has not maintained the logbook of water recycling points, influent generation and effluent discharge.

**AND WHEREAS**, the Hon'ble National Green Tribunal (NGT), in the matter of OA No. 593/2017 (WP (CIVIL) No. 375/2012), Paryavaran Suraksha Samiti & Anr. Vs. Union of India & Ors. directed Central Pollution Control Board (CPCB) that "*The CPCB may take*

penal action for failure, if any, against those accountable for setting up and maintaining STPs, CETPs and ETPs. CPCB may also assess and recover compensation for damage to the environment and said fund may be kept in a separate account and utilized in terms of an action plan for protection of the environment"; and

**WHEREAS**, in compliance of above quoted Hon'ble NGT order, cases to be considered for levying penalty are discharges in violation of consent conditions/ non-compliance with the directions, such as direction for closure due to non-installation of OCEMS/ non-adherence to the action plans submitted/ intentional avoidance of data submission or data manipulation by tampering OCEMS; and

**WHEREAS**, CPCB issued circular dated 28.05.2019 for amendment in policy to maintain uniformity in action towards imposing environmental compensation (EC) for sugar mills which prescribes as under;

1)  $EC = PI \times N \times R \times S \times L$

Where, EC is Environmental Compensation in ₹, PI = Pollution Index of Industrial Sector (80), N = Number of days of violation took place R = A factor in Rupees for Penalty (250), S = Factor for scale of operation (1.5) and LF = Location Factor (1)

2) Number of days (N) calculated as date of start of current crushing season to 1) date of issue of direction or 2) date of compliance reported by CPCB or SPCB or 3) Date of closing of crushing season (whichever is earlier among 1-3).

**WHEREAS**, as per the methodology for assessing penalty and environmental compensation, the environmental compensation to be levied to the unit was calculated as **Rs. 44,70,000/-** (Rupees Forty-four lakhs seventy thousand only) for the non-compliance period (27.11.2018 i.e. date of start of crushing season to 24.04.2019 i.e. end of crushing season), for the crushing season 2018- 19; the calculation details are as under:

EC for the crushing season 2018-19

$$\begin{aligned} &= PI \times N \times R \times S \times LF \\ &= 80 \times 149 \times 250 \times 1.5 \times 1 \\ &= 44,70,000/- \end{aligned}$$

**AND WHEREAS**, CPCB issued closure directions dated 21.06.2019 under section 5 of Environment (Protection) Act, 1986 to the unit, to comply with the following directions:

1. The unit shall remain closed and not operate without seeking permission from CPCB.
2. All bypass arrangements/ unauthorized channel shall be dismantled immediately and photographic evidence shall be provided to CPCB within 45 days from the date of receipt of direction.
3. The unit shall submit adequacy assessment of treatment facility by reputed govt. institute; including work completion report regarding implementation of the recommendations of the adequacy report within 45 days.
4. The unit shall seek permission from CPCB after compliance of the above directions, for resumption of operations.
5. The unit shall deposit Rs. 44,70,000/- (Rupees Forty-four lakhs seventy thousand only) in CPCB account towards environmental compensation within 15 days from the date of receipt of direction.

**AND WHEREAS**, CPCB issued a letter to the unit on 26.07.2019 to deposit amount of Rs. 44,70,000/- for non-compliance period (27.11.2018 to 24.04.2019) with interest at rate of 12% (simple interest) for the delay period to CPCB immediately within 15 days; and

**WHEREAS**, the unit replies vide letters dated 02.07.2019, 07.08.2019 and 23.08.2019 were examined and the following observations are made:

1. The unit has closed its operation on 24.04.2019.
2. The unit has dismantled bypass arrangements and submitted photographic evidence.
3. The unit has submitted adequacy assessment report of effluent treatment plant by reputed govt. institute in August, 2019; including work completion report regarding implementation of the recommendations of the adequacy report.
  - a) The adequacy report indicates that ETP system comprises of bar screen chamber, oil and grease skimmer for preliminary treatment, equalization tank and primary clarifier for primary treatment, aeration tank and secondary clarifier for secondary treatment, Chlorine Contact Tank, MGF and ACF for tertiary treatment and found adequate facilities.
  - b) Effluent generation is 177.53 l/t of cane as against CPCB disposal norms of 200 l/t of cane.
4. The unit has deposited Rs. 44,70,000/- in the account of CPCB vide UTR No. PUNBH19219116433 dated 07.08.2019, for Environmental Compensation Under Protest.

**AND WHEREAS**, the Three Member Committee in its meeting held on 17.09.2019 examined the unit's replies and recommended that the unit may be allowed to resume operation and shall submit Performance Audit Report of ETP within 60 days of start of operation; and

**WHEREAS**, CPCB issued directions dated 14.10.2019 to the unit under section 5 of the Environment (Protection) Act, 1986 to comply with the following directions:

1. The unit shall start its operation only after obtaining valid consent from the concerned State Pollution Control Board.
2. The unit shall submit Performance assessment of treatment system including analysis of treated effluents by the same reputed government institute within 60 days.

**WHEREAS**, CPCB calculated EC for 36 sugar mills as per policy dated 28.05.2019 for observed noncompliance during inspections carried out during crushing season 2018-19; and

**WHEREAS**, CPCB issued closure directions to 36 sugar mills during April-May, 2019 under Section 5 of the Environment (Protection) Act, 1986 along with levying Environmental Compensation (EC) calculated as per policy dated 28.05.2019 including M/s HPCL Biofuel Ltd., and

**WHEREAS**, some of the sugar mills filed appeals before Hon'ble NGT against order passed by CPCB requiring the appellants to pay environmental compensation, namely Appeal No. 34/2019(WZ) titled M/s Madhukar Sahakari Sakhar Karkhana Ltd. V. CPCB, Appeal No. 05/2019 titled Morinda Co-op. Sugar Mills Ltd. Vs. CPCB, and Appeal No. 23 of 2019(WZ)

wherein the Hon'ble NGT stayed the action of CPCB. Thereafter, units namely Shri Vitthalsai SSK Ltd. And Bhairavnath Sugar Works Ltd. Approached Hon'ble NGT in Appeal No. 27/2019 (WZ) with Appeal No. 35/2019 (WZ) against the compensation levied by CPCB. The Hon'ble NGT Principal Bench, New Delhi in the aforementioned appeals passed an order dated 22/05/2019 directed that, "CPCB may treat the impugned order as tentative and pass further appropriate order after permitting the affected parties to furnish their viewpoint." The Hon'ble NGT also directed that similar opportunity may also be given to other affected parties where such orders have been passed in similar cases.

**AND WHEREAS**, CPCB issued order dated 04.09.2019 regarding levying of EC for industries, which prescribes as under;

1. Prior to imposition of EC, a Show Cause Notice (SCN) for imposing EC along with an opportunity to reply/ hearing be given.
2. Methodology adopted for calculation of EC may be shared with the concerned industry/ agency if asked during hearing or through reply.
3. Unless there is substantial evidence, date of non-complying days would start w.e.f. date of non-compliance observed during inspection.
4. In Sugar industry, number of days of violation is calculated based on actual number of days operated during crushing season(s) based on Excise Form RT-8C submitted by the unit.
5. EC for non-compliance to CPCB's closure direction regarding installation & connectivity of OCEMS shall apply till establishment of initial uninterrupted data connectivity for all the specified parameters in all the permitted outlets /stacks, as verified by the IT division.
6. EC for the closure direction issued on the ground of non – compliance of prescribed discharge/ emission norms shall apply for the period between date of inspection & monitoring to date of closing of manufacturing operation.
7. Direction for closure or revocation and direction for imposition of EC to be dealt separately.

**AND WHEREAS**, in compliance to Hon'ble NGT order dated 22.05.2019, CPCB provided opportunity for personal hearing to 32 sugar mills on 18.09.2019 and 24.09.2019 to present their viewpoints excluding M/s HPCL Biofuel Ltd., Sugauli, East Champaran, M/s Majhaulia Sugar Industries Pvt. Ltd. (Jay Shree Sugar Mills Ltd.), Majhauilya, West Champaran; and M/s Harinagar Sugar Mills Ltd., West Champaran; who had already deposited their EC with CPCB and process for revocation was already initiated. Subsequently, order dated 04.09.2019 was issued according to which EC shall be levied from the date of inspection till the date of closing of manufacturing operation/compliance observed by CPCB/SPCB; and

**WHEREAS**, Officials of U.P. Co-operative Sugar Factories Federation Ltd., Secretary General of UPSMA, individual sugar mills asked CPCB to allow to deposit EC in ESCROW account for utilization of environmental management. Principal Secretary, Sugar Industry and Cane Development, UP Government vide DO no. 1934/46-2-19-38/2018 dated 17.09.19, also requested CPCB to waive off the environmental compensation considering the financial constraint of sugar mills, to enable them to use the same money for upgradation of pollution

control measures in order to ensure compliance to environmental norms and also to allow the sugar mills to function efficiently; and

**WHEREAS**, CPCB issued office order dated 01.11.2019 regarding policy for levying EC on sugar mills which prescribed as under;

1. As special case in large interest of farmers and general public, the sugar mills, will have the option to deposit Environmental Compensation (EC) amount either in CPCB account or in an ESCROW account with Department of Sugar Industries, State Government for utilization of fund in environmental management, training programs, development of laboratory, upgradation of ETP, further implementation of charter etc. ESCROW account shall be operated by Department of Sugar industries in State Government.
2. The Sugar Mills shall deposit the EC amount either in CPCB account or ESCROW account within 15 days from receipt of direction, failing which a simple interest @ 12% shall be levied for the delay period.
3. In case of deposition of EC amount into ESCROW account, the individual sugar mill shall submit time bound action plan for utilization of the EC amount within 15 days and get it approved from CPCB for utilization in environmental management including augmentation/upgradation of ETP, implementation of charter, training programs etc. Approved plan shall be made available by industry to Department of Sugar Industries, State Government for releasing funds for which appropriate methodology shall be worked out by the State Government. Utilization of the funds shall be monitored by the State Government and reported to CPCB on monthly basis. Alternatively, if EC is deposited in CPCB account the amount will be spent by CPCB as per EC utilization policy as approved by Hon'ble NGT.

**AND WHEREAS**, CPCB subsequently issued modified directions with recalculated EC amount as per order dated 04.09.2019 to 32 sugar mills for deposition of EC either in CPCB account or in ESCROW account to be operated by Department of Sugar Industries in State Government within 15 days from date of issuance of the direction. In case of delay in deposition of EC, simple interest @ 12% shall be levied for delay period; and

**WHEREAS**, out of 36 sugar mills, 32 mill deposited EC as per recalculated EC amount as per order dated 04/09/2019 and 03 sugar mills namely M/s HPCL Biofuel Ltd., Sugauli, East Champaran; M/s Majhaulia Sugar Industries Pvt. Ltd. (Jay Shree Sugar Mills Ltd.), Majhauliya, West Champaran; and M/s Harinagar Sugar Mills Ltd., West Champaran, had already deposited their EC as per policy dated 28.05.2019. Out of 32 sugar mill 25 mills deposited EC amount in ESCROW account and remaining 07 sugar mills deposited it in CPCB account

**WHEREAS**, the unit vide letter dated 10.01.2020 submitted copy of valid consent order issued by Bihar State Pollution Control Board, Patna with validity up to 30.09.2023 and performance assessment report of effluent treatment system prepared by VSI, Pune which were examined & following observations were made:

1. Overall performance of ETP was found good. However, process operation of ETP is required to be improved by providing training to environmental officer and operators.
2. The unit has established environmental cell and well-equipped laboratory with qualified operating staff.

3. Excess condensate generated from the unit is cooled through cooling tower and used as raw water in sugar factory.

**AND WHEREAS**, the unit vide letter dated 22.11.2019 furnished their viewpoints regarding EC levied on them and requested for refund of the paid amount; and

**WHEREAS**, personal hearing of the unit was held on 26.11.2019 and it was noted that policy order dated 04.09.2019 could not be applied retrospective basis and EC could not be revised;

**AND WHEREAS**, the unit vide letter dated 11.12.2019 requested to remit the deposited EC amount for completion of work as per the recommendations of VSI Pune in ETP adequacy report; and

**WHEREAS**, based on representation received from M/s Harinagar Sugar Mills Ltd., West Champaran for revision of their EC as per CPCB policy dated 04.09.2019, return of balance amount and demand for personal hearing opportunity; hearing was held on 28.09.2020 and it was decided that uniform policy should be followed and agreed to reconsider the matter after obtaining legal opinion from Law Division, CPCB; and

**WHEREAS**, Law Division, CPCB provided their opinion on 11.02.2021 that in view of principle of Natural Justice, the policy dated 04.09.2019 should be uniformly applied to all units; and

**WHEREAS**, CPCB constituted a 4-member committee vide office order no. MSCB/03/2017/930 dated 24.11.2020 to examine the representations against environmental compensation and to further strengthen the mechanism; and

**WHEREAS**, a meeting of 4-member committee was held on 07.04.2021 to examine the matter where representative of law division also participated. The committee recommended that the revised policy dated 04.09.2019, evolved in line with Hon'ble NGT order dated 22.05.2019 in the matter of Shri Vitthalsai SSK Ltd. Vs CPCB along with other sugar mill may be considered in this case also; and

**WHEREAS**, as decided by the 4-member committee, environmental compensation of Rs. **44,70,000/-** (for non-compliance period from 27.11.2018 i.e. date of start of crushing season to 24.04.2019 i.e. end of crushing season) which was deposited by the unit on 07.08.2019 under protest has been recalculated considering the EC policy dated 04.09.2019. Therefore, amount of environmental compensation for the period of non-compliance (date of inspection i.e. 27.03.2019 to end of crushing season i.e. 24.04.2019 for the crushing season 2018-19) has been re-calculated as **Rs. 8,78,867 (Rs. Eight lakhs seventy-eight thousand eight hundred sixty-seven only)** (Rs. **8,70,000/-** towards EC and **Rs. 8,867/-** towards interest at the rate of 12% for delay period). Out of the total amount of environmental compensation deposited, the remaining amount of **35,91,133/- (Rs Thirty-five lakhs ninety-one thousand one hundred thirty-three only)** shall be returned separately. The details of the calculation are as under;

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

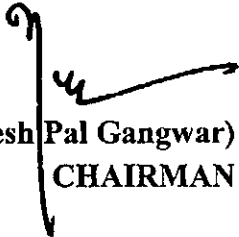


$$= 80 \times 29 \times 250 \times 1.5 \times 1$$

$$= \text{Rs. } 8,70,000/-$$

- 12 % Simple Interest for delay period from **06.07.2019** i.e. 15 days after the directions dated 21.06.2019 to **06.08.2019** i.e. a day before deposition of EC amount by Unit) = **Rs. 8,867/-**
- Total EC calculated= **Rs. 8,70,000 + Rs. 8,867 = Rs. 8,78,867 /-**

**NOW, THEREFORE**, in view of the above-mentioned observations and in exercise of the powers delegated to the Chairman CPCB, under section 5 of the Environment (Protection) Act, 1986, the directions dated 21.06.2019 hereby shall stand revised and the EC levied on the unit for non-compliance period **27.03.2019 to 24.04.2019** for the crushing season 2018-19 shall be **Rs. 8,78,867 (Rs. Eight lakhs seventy-eight thousand eight hundred sixty-seven only)** which the unit has already deposited. The remaining amount of **Rs. 35,91,133/- (Rs Thirty-five lakhs ninety-one thousand one hundred thirty-three only)** shall be returned to the unit.

  
(Naresh Pal Gangwar)  
CHAIRMAN

1. **Principal Secretary** : For kind information, please.  
Sugarcane Industries,  
Government of Bihar  
Department of Sugarcane Development  
Vikas Bhawan, New Secretariat  
**Patna-800015**
2. **Member Secretary** : For kind information, please.  
Bihar Pollution Control Board,  
Parivesh, Bhawan, Plot No., Ns-B/2,  
Patliputra Industrial Area,  
**Patliputra, Patna (Bihar)-800 023**
3. **Joint Secretary (CP Division)** : For kind information, please.  
Ministry of Environment, Forest & C.C  
Prithvi Block, Indira Paryavaran Bhawan,  
**Jorbagh Road, New Delhi – 110 003**
4. **District Magistrate** : For kind information, please.  
West Champaran-845454, Bihar
5. **Regional Director** : For kind information, please.  
Central Pollution Control Board Regional  
Directorate, Southern Conclave, Block-502,  
5<sup>th</sup> & 6<sup>th</sup> Floor, 1582, Rajdanga Main Road,  
**Kolkata – 700 107 (West Bengal)**

6. In-charge, F&A, CPCB : For refund of deposited EC amount of Rs. 35,91,133/- (Rs **Thirty-five lakhs ninety-one thousand one hundred thirty-three only**) to M/s Majhaulia Sugar Pvt. Ltd, : With request to upload on CPCB server
- ✓ 7. In-charge IT Division, CPCB
8. Master file/Guard file WQM II, CPCB Delhi : For record.

  
(PRASHANT GARGAVA)  
MEMBER SECRETARY