

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. OF 2025
(Arising from Diary No(s). 17840/2020)

NAROL TEXTILE INFRASTRUCTURE
AND ENVIRO MANAGEMENT

APPELLANT (S)

VERSUS

ADITYA SINGH CHAUHAN & ANR.

RESPONDENT (S)

O R D E R

1. This appeal under Section 22 of the National Green Tribunal Act, 2010¹ arises from a proceeding drawn suo-motu by the National Green Tribunal² on a letter complaining discharge of effluents by CETP, Narol, Ahmedabad, operated by the appellant, in Sabarmati River.
2. The NGT took cognizance on the complaint and vide order dated 05.08.2019 directed the State Pollution Control Board³ to look into the matter and take appropriate action in accordance with law and furnish an action taken report within a month.
3. Pursuant to the aforesaid order, a report was submitted by the Gujarat Pollution Control Board⁴

1 NGT Act
2 NGT
3 SPCB
4 GPCB

acknowledging that CETP is not meeting the parameters. Noting the contents of the report as also the compensation of Rs. 70,00,000 assessed therein by SPCB, NGT vide order dated 15.11.2019 directed that apart from recovering compensation for the damage to the environment on '*polluter pays principle*', SPCB shall ensure reduction in the pollution load by proportionately decreasing the capacity of the units contributing to the said pollution. NGT also directed that for past non-compliance, CPCB and GPCB shall assess the environment compensation and file a report.

4. In compliance of the above order, GPCB filed another report on 31.01.2020 assessing environment compensation at Rs. 3,63,60,000, payable for the period starting from 06.09.2017 up to 22.11.2019. Taking note of the report, vide order dated 06.02.2020, NGT not only observed that the factor for computing the environment compensation ought to have been higher than what was adopted but also as to why compensation was assessed only up to 22.11.2019. Based on that, it directed that a Joint Committee of CPCB and GPCB shall review the compensation and furnish a joint report.

5. In furtherance of the order dated 06.02.2020, a fresh action taken report was submitted by the CPCB and the GPCB, thereby revising the compensation assessed. Based

on that report, by the order impugned dated 07.07.2020, NGT disposed of the proceeding by directing the GPCB to act after following due process of law.

6. In compliance of the aforesaid report and the order so passed by the NGT, GPCB called upon the appellant to deposit a sum of Rs. 8,16,30,000 in terms of the directions of the NGT.

7. Aggrieved by the orders of the NGT and the consequential demand raised upon the appellant, this appeal has been filed.

8. We have heard Shri Nakul Dewan, learned Senior Counsel along with Shri Purvish J. Malkan, learned Senior Counsel for the appellant; and Ms. Aastha Mehta, learned counsel for the second respondent.

9. The learned counsel for the appellant submitted that at no stage of the proceeding before the NGT any notice was issued to the appellant either to rebut the allegations in the complaint regarding discharge of effluents from the CETP or to challenge the assessment of the compensation. It is contended that even the reports regarding violation of pollution norms and assessment of compensation are ex-parte and at no stage the appellant was given opportunity to contest the same. In these circumstances, it has been argued, the order passed by the NGT, and the consequential demand notice, is against

the principles of natural justice and is therefore liable to be set aside.

10. Per contra, learned counsel for the second respondent submitted that the reports submitted by the CPCB and GPCB are based on inspections carried out with prior notice to the appellant and the assessment of compensation payable by the appellant is based on the empirical data collected during inspection. The learned counsel for the second respondent, however, could not dispute the claim of the appellant that at no stage of the proceeding before the NGT the appellant was given opportunity to contest either the complaint or the reports that were placed against it.

11. Having taken note of the rival submissions and having perused the records, we find that the Tribunal, though had required the GPCB and CPCB to furnish reports and act on it, did not issue notice to the appellant to have its version on the complaint as well as the reports. Even if we assume that reports submitted by GPCB and CPCB were based on inspections carried out by them, before any action is taken on those reports, the affected party ought to have been furnished copy of those reports so as to enable it to question the correctness of those reports including the quantum of compensation assessed therein.

12. In **Singrauli Super Thermal Power Station versus**

Ashwani Kumar Dubey⁵, this Court relying on an earlier decision in **Kantha Vibhag Yuva Koli Samaj Parivartan Trust v. State of Gujarat**⁶ held:

"21. ...The NGT is a judicial body and therefore exercises adjudicatory function. The very nature of adjudicatory function would carry with it the requirement that principles of natural justice are complied with, particularly when there is an adversarial system of hearing of the cases before the Tribunal or for that matter before the Courts in India. The NGT though is a special adjudicatory body constituted by an Act of Parliament, nevertheless, the discharge of its function must be in accordance with law which would also include compliance with the principles of natural justice as envisaged in Section 19(1) of the Act.

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23. Therefore, applying the aforesaid principle to the cases that come up before the NGT, if the NGT intends to rely upon an Expert Committee report or any other relevant material that comes to its knowledge, it should disclose in advance to the party so as to give an opportunity for discussion and rebuttal. Thus, factual information which comes to the knowledge of NGT on the basis of the report of the Committee constituted by it, if to be relied upon by the NGT, then, the same must be disclosed to the parties for their response and a reasonable opportunity must be afforded to present their observations or comments on such a report to the Tribunal.

24. It is needless to observe that the experts' opinion is only by way of assistance in arriving at a final conclusion. But we find that in the instant case the report of the Expert Committee as well as the recommendations have been made the basis of the directions and such an approach is improper."

14. Similarly, in **Veena Gupta and Another versus Central Pollution Control Board and Others**⁷, this Court deprecated the practice of ex-parte orders and imposition of damages

⁵ (2023) 8 SCC 35

⁶ (2023) 13 SCC 525

⁷ (2024) SCC OnLine SC 103

amounting to crores of rupees by the NGT.

15. In the light of the discussion above, we are of the considered view that before accepting the reports and issuing directions based upon it, NGT ought to have given an opportunity to the appellant to rebut the report and question the compensation assessed therein. Unfortunately, this was not done. Instead, NGT abdicated its adjudicatory role and let the GPCB and CPCB to proceed and act on their own reports. Such action of the NGT cannot be countenanced.

16. In view of the above, the appeal is allowed. The order of the NGT dated 07.07.2020 disposing of O.A. No. 510 of 2019, directing CPCB and GPCB to act on the report dated 18.06.2020, is hereby set aside and O.A. No. 510 of 2019 is restored on the file of NGT, Principal Bench, New Delhi. Before proceeding further, the NGT shall issue notice to the appellant and provide opportunity to the appellant to file its objections to the complaint and all reports including the report dated 18.06.2020 which are adverse to the appellant. Upon filing of those objections, the NGT shall accord hearing to the appellant and thereafter take a decision in accordance with law.

17. As we have set aside the order dated 07.07.2020 passed by the NGT in O.A. No. 510 of 2019, the consequential demand stands quashed.

18. To facilitate early disposal of the proceedings we

hereby direct the appellant to put in appearance in the
aforesaid proceedings (i.e., O.A. No.510 of 2019) by or
before April 30, 2025.

19. Pending applications, if any, stand disposed of.

.....J.
(MANOJ MISRA)

.....J.
(K.V. VISWANATHAN)

**NEW DELHI ;
08TH APRIL, 2025.**