



ENVIRONMENT

Allahabad High Court Upholds Pollution Control Board's Power to Levy Environmental Compensation

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Introduction

In a significant development for environmental law, the Allahabad High Court has affirmed the right of Pollution Control Boards to levy environmental compensation. The ruling in [M/s Ramesh Dyeing and Washing, Ghaziabad v. State of U.P. & Ors.](#)^[1] upheld the actions of the U.P. Pollution Control Board, confirming its authority to impose both closure orders and compensation. This verdict reinforces the Polluter Pays doctrine and sets a clear precedent that regulatory bodies have the power to hold industries accountable for environmental damages.

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Background of the Case

The case began when the U.P. Pollution Control Board ordered a shutdown of the petitioner's industrial unit on August 12, 2021, and fined them ₹14,20,000 in environmental compensation. The Board later offered to cancel the shutdown order if the petitioner paid the balance of ₹13,20,000 within two months, as per a modified order on June 28, 2022. The petitioner challenged this, arguing that only the National Green Tribunal (NGT), not the Board, had the authority to impose such a fine under Section 33A of the Water Act. They referenced the Supreme Court's [Kantha Vibhag Yuva Koli Samaj Parivartan Trust v. State of Gujarat](#)^[2] (2022) judgment to back their position.

Court's Analysis

The court clarified that the petitioner's reliance on the Kantha Vibhag judgment was misplaced, as that case did not address the question of whether Pollution Control Boards could impose environmental compensation. Instead, the Court turned to the more recent and authoritative ruling of the Supreme Court in [Delhi Pollution Control Committee v. Lodhi Property Company Ltd.](#)^[3]

In [Lodhi Property](#), the Supreme Court held that Pollution Control Boards, exercising powers under Section 33A of the Water Act, 1974, and Section 31A of the Air Act, 1981, can impose restitutionary and compensatory damages. These powers, though not explicitly stated, are incidental and ancillary to their statutory mandate and derive support from the Polluter Pays principle.

The High Court further referred to earlier landmark cases such as [M.C. Mehta v. Union of India](#)^[4] (1987), and [Vellore Citizens Welfare Forum v. Union of India](#)^[5] (1996), which firmly established that liability for environmental harm includes both compensatory and restorative obligations. Additionally, the Court noted that the National Green Tribunal in [State PCB, Odisha v. Swastik Ispat Pvt. Ltd.](#)^[6] (2014) had already distinguished between punitive action and compensatory damages, a position later approved by the Supreme Court.

Thus, the Court affirmed that the U.P. Pollution Control Board's powers under Section 33A of the Water Act and Section 31A of the Air Act are comparable to the Central Government's powers under Section 5 of the Environment (Protection) Act, 1986. Importantly, such directions are remedial in nature, not punitive, and are necessary to prevent or address environmental harm.

Jurisdictional Concerns and Delay

While High Courts have the authority to hear such cases under Article 226 of the Constitution, the court decided not to exercise that power in this instance. The court noted two key reasons for its decision: first, the petitioner did not use the prescribed appeal process under the NGT Act, and second, there was an unexplained delay of over three years in filing the petition.

Conclusion

The Allahabad High Court has reaffirmed that Pollution Control Boards have the authority to impose environmental compensation under Section 33A of the Water Act and Section 31A of the Air Act, in consonance with the Polluter Pays principle. This ruling

strengthens the enforcement framework for environmental protection and highlights that remedial action by regulatory authorities is integral to safeguarding public health and ecological balance. The decision also highlights that while writ jurisdiction of High Courts remains intact, parties must ordinarily pursue statutory remedies before the NGT. This judgment is significant because it fortifies the regulatory power of Pollution Control Boards and bridges the gap between judicial pronouncements and practical enforcement of environmental laws. It reinforces the need for industries to internalize environmental accountability as a cost of doing business and is a clear reminder that non-compliance will attract compensatory consequences.

For more details, write to us at: contact@indialaw.in

- [1] Writ-C No. 7305 of 2025
- [2] Civil Appeal No.1046 of 2019
- [3] Civil Appeal No.757-760 of 2013
- [4] 1987) 1 SCC 395
- [5] (1996) 5 SCC 647
- [6] (2014) SCC Online NGT 13

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