Case Nos. 05, 06, 07, 08, 09 and 10 of 2026

19.02.2026

Present : Shri Raman Yadav, Proxy Counsel of Appellants (in all cases)

: Shri Aditya Verma, Counsel for R-1 (in all cases). (Filed Vakalatnama)

1. Proxy Counsel for Appellants sought adjournment as the main Counsel is not available today being busy in Hon'ble High Court. Allowed as a final opportunity.

2. Counsel for Respondents submitted that he has not received the copy of appeals filed by the Appellant.

3. Counsel for Appellant is directed to supply the copy of appeals to Respondent before the next date of hearing.

4. Counsel for Respondent is also directed to come prepared with reply and arguments on the next date of hearing

5. Adj. to 02.03.2026 for arguments.

Financial Commissioner
Delhi

Case No. 352 of 2024

19.02.2026

Present : Shri Vineet Kumar, Counsel for Appellant.
: Ms. Ruchika Rathi, Counsel alongiwth Shri Vikas Kumar, Asstt. Executive Er. (Env.) for R-1, DSIIDC.
: Shri Abhishek Kumar alongwith Ms. Twinkle Kataria Counsels alongwith I.P. Singh, A.R. for R-2 (M/s.PNC Delhi Industrial Infra (P) Ltd.)

1. On query of this Court regarding depositing of cost of Rs. 10,000/- imposed on 09.02.2026, Counsel for R-1 undertook to deposit the same after court proceedings.

2. Counsel for Appellant contended that R-1, DSIIDC vide Notification dated 10.11.2023 and letter dated 15.06.2024 has retrospectively imposed CETP and sewerage charges for the period of Financial Year 2012-13 to 2020-21 and issued another Notification dated 07.04.2025 retrospectively revising the CETP and sewerage charges for the financial year 2021-22 to 2023-24, thereby increasing rates from Rs. 3/- to Rs. 6.76/- and from Rs.3/- to Rs. 8.17/- per sqm/ month respectively, which is illegal.

3. Counsel for Appellant further contended that R-1 (DSIIDC) failed to independently verify the costing provided by the Concessionaire (R-2) before fixing CETP and sewerage charges. As a government body, R-1 was duty-bound to conduct a prior audit rather than relying on R-2's figures. As per communication dated 18.03.2014, R-1 bypassed the statutory assessment under Schedules I & II of the CETP Act, 2000, instead of calculating the charges based on actual operational and maintenance (O&M) expenditure. Counsel for Appellant further contended that these uniform charges for 2012-14 were determined without the required industrial data, leading to the improper imposition of additional fixed costs. There is manipulation in sewerage charges @ 15% imposed on industrial unit which was never audited by R-1, DSIIDC.

4. In rebuttal, AR for R-2, PNC submitted that a committee was constituted by DSIIDC under the Chairmanship of its Chief Engineer comprising of Superintending Engineer, Executive Engineer & Chief Accountant and after examining

the submissions of concessionaire, the same was put to the Board of Director for approval. Hence, the allegations of lack of due audit carry no basis.

5. The Counsel for Appellant filed comparison Chart based on facts and submitted as under:

(i) **Cleaning of Sewerage Network & Sewerage Malwa handling By Mechanical Means by Outside Contractors** - Initially in FY 2012-13 expenditure was Rs.96.89 Lakhs, which went down in the range of Rs.22 Lakhs to Rs.30 Lakhs till 2018-19. But thereafter substantially rose to Rs. 84 Lakhs in FY 19-20 and thereafter kept increasing.

(ii) **Sewerage Related Exp.-** In 2020-21, "Salary of Concerned Staff" was Rs.5.19 Lakhs. By 2021-22, this dropped to zero and remained zero through 2023-24. However, "Cleaning of Sewerage Network by Outside Agencies" exploded from Rs.29.98 Lakhs in 2018-19 to Rs.1.81 Crores in 2021-22.

(iii) **Sludge Handling & Disposal-** In 2021-22, the sludge disposal cost was Rs. 17.85 Lakhs. Suddenly, in 2022-23, this cost exploded to Rs. 1.56 Crores, and again fell back to Rs.28.71 Lakhs in 2023-24. Sludge generation is directly proportional to the volume of effluent treated (Effluent Treatment vs. Sludge Ratio). Since the "Electricity Exp" (a proxy for plant utilization) only increased marginally (10%) between 2021-22 and 2022-23, a ~9x increase in sludge disposal costs is outside the understanding.

(iv) **Wages of Security Staff Deployed at CETP Plant-** The minimum wages has been within the limits of Rs. 7000 p.m. to 18000 p.m. for Unskilled workers since FY 2012-13 to FY 2023-24, as security staff is generally the Unskilled Worker, they are generally available at the minimum wages itself. Here two things should be considered:

(a) The number of Security personal required and the actual number of staff hired at the premises considering the fact that the area of premises has not been increased.

(b) The security costs of the premises should be allocated among all the nature of revenue which is being generated from that premises in the ratio of income generated from each of them respectively.

(v) **Contractor's Profit & Overhead-** The entity is charging a flat 15% CPOH on expenses that already include overheads or profit margins.

(vi) **Unauthorized collection of Water & Sewerage Charges-** This establishes unauthorized enrichment and lack of regulatory oversight. It supports a claim of unjust enrichment and recovery without approvals.

6. Counsel for R-1, DSIIDC filed written submissions. Counsel for R-1 submitted that as per Concession Agreement dated 19.07.2011 between R-1 & R-2, the Agreement expressly envisages charge recovery as part of the contractual scheme, not as an afterthought. Counsel for R-1, DSIIDC also pointed out that it was clarified in letter no. DSIIDC/CE-VI/PPP-Project/2014/195 dated 18.03.2014 2014 issued by Chief Engineer VI to all the industrial associations that charges are provisional. R2 further submitted that Petitioner has not even provided industry-wise details sought by it on 18.03.2014, 07.08.2014 & 24.01.2019 for cost finalisation process as these are essential for accurate apportionment under the statutory framework.

7. Counsel for R-1, DSIIDC further submitted that financial figures are based on audited statements and accounting records, with variations across years reflecting normal commercial factors, such as inflation and maintenance cycles, not manipulation. The maintenance expenses increase with each passing year owing to aging of plant. The operational costs for items such as sludge removal and sewer cleaning fluctuate based on need and cyclical major work. Accounting changes, such as showing 15% overhead or merging fixed costs, are presentational for clarity and transparency and standard industry practice. They are not errors or double charging. She referred to DSR schedule of rates to justify 15% overheads. The increase in salary and security costs over a decade are attributed to inflation, wage revisions, and operational requirements, while the separate listing of sewerage charges is for clarity, not a new or unauthorized charge. She also clarified that an industrial unit was charged only when the plot work was completed and operations commenced. DSIIDC also clarified that rather than DJB, Sewerage Work in the Industrial Complex is being undertaken by DSIIDC Concessionaire.

8. Counsel for R-2 filed written submissions. The Counsel for R-2 submitted that appeal under Section 13 of the Delhi

CETP Act, 2000 is time-barred and lacks jurisdiction. The appellant has raised disputes regarding sewerage, water and other charges which fall outside the Act. In this regard, The Counsel for R-2 also referred the Section 6 & of 13 of CETP Act. Such issues are governed by other Statutory regime including Municipal drainage frame work, hence are not maintainable in the present proceedings.

9. On the issue of limitation raised by the Respondents, Counsel for Appellant further contended that appellant approached the Hon'ble High Court in WP(C) No. 14549/2024 against the impugned notification dated 10.11.2023 passed by R-1, DSIIDC and as per judgment dated 29.11.2024 passed by the Hon'ble High Court which allowed the appellant to prefer an appeal within a period of four weeks before the Appellate Authority under the CETP Act, and directed that the same shall not be rejected on the ground of limitation. The issue of limitation period is hence waived off in the larger interest of justice.

10. The Counsel for R-2 further submitted that the CETP charges were not retrospective; as final rates were decided after provisional Notifications dated 08.06.2012 and non-submission of unit details by appellant despite DSIIDC demands letters dated 18.03.2014 and 24.01.2019. Counsel for R-2 also submitted that the appellant's demand for audit lacks merit, as audits of DSIIDC, committee verification, CP&OH per PWD rates (excluding 50% electricity costs), and the expense rise from phased allotments have already been duly considered. He further submitted that the charge determination mechanism required industrial unit to furnish operational details which are sought by it on 18.03.2014, 07.08.2014 & 24.01.2019 as these are essential for accurate apportionment under the statutory framework which the appellant deliberately failed to provide. Hence, the provisional charges were notified and final rates were later determined based on actual expenditure.

11. On query by this Court regarding recovery of interest from 2012 to 2023 on working capital, R-2 submitted that interest part is not claimed by PNC.

12. Since, all the pleadings and arguments are complete, both the parties are directed to file their brief written submissions, if they so wish, latest by 24.02.2026, whereafter orders shall be passed on the basis of the documents available on record.

13. Case is reserved for pronouncement of orders on 02.03.2026.

Bhupesh Kumar)
Chief Engineer
(SDW) NW
Delhi Jal Board
Member

(Seena Jose)
Deputy Controller of
Accounts
Member

(Prashant Goyal)
Financial Commissioner
Delhi
Chairperson