

**BEFORE THE NATIONAL GREEN TRIBUNAL  
PRINCIPAL BENCH, NEW DELHI**

Appeal No. 53/2025  
(IA No 556/2025)

Bharat Petroleum Corporation Limited

Appellant

Versus

Central Pollution Control Board & Ors.

Respondent(s)

Date of hearing: 25.03.2026

**CORAM: HON'BLE MR. JUSTICE PRAKASH SHRIVASTAVA, CHAIRPERSON  
HON'BLE DR. A. SENTIL VEL, EXPERT MEMBER  
HON'BLE DR. AFROZ AHMAD, EXPERT MEMBER**

Appellant: Mr. Nikhil Nayyar, Senior Advocate with Mr. Rajat Navet, Mr. Shashi Kant, Mr. Rajat Rana & Ms. Sugandha Batra, Advocates for Appellant

Respondents: Mr. Saurabh Balwani & Mr. Chirag, Advs. for CPCB

**ORDER**

1. By this Appeal filed under Section 18(1) read with Section 16 (g) of the National Green Tribunal Act, 2010, appellant has challenged the order dated 23.07.2025 whereby the Central Pollution Control Board (CPCB) has issued the directions under Section 5 of Environment (Protection) Act, 1986 (EP Act, 1986) imposing the Environmental Compensation (EC) of Rs. 1 crore for not installing the vapour recovery system (VRS) at storage terminal and further directing closure of the operation of the concerned terminal if the EC is not deposited within 15 days.

2. The CPCB had issued the guidelines on 07.01.2020 for setting up the new petroleum pumps, recommended installation of VRS in all such new petrol pumps having sale potential of more than 100 KL Per Month and located in million plus cities and petrol pumps with sale potential of more than 300 KL Per Month and located in cities with population between 01 lakh to 10 lakh.

3. Thereafter, CPCB had issued the directions under Section 5 of the EP Act, 1986 on 18.09.2020 to the appellant requiring it to comply with the CPCB directions in respect of installation of vapour recovery systems as contained in circular dated 07.01.2020. The directions issued under Section 5 of the EP Act to the present appellant by CPCB on 18.09.2020 were as under:

*“NOW THEREFORE, in view of the above and in exercise of the power vested under Section 5 of the E(P) Act, 1986, M/s Bharat Petroleum Corporation Limited is directed to comply with the following:*

*1. Complete installation of VRS at all existing retail outlets selling more than 100 KL per month and located in million plus cities, and, retail outlets selling more than 300 KL per month and located in cities with population between 01 lakh to 1 million (except Delhi-NCR) as per the prescribed timelines:*

*VRS stage II: 100% retail outlets by August 2022 out of which 50% of retail outlets shall have VRS by September 2021.*

*VRS stage IB: 100% retail outlets by February 2022 out of which 50% of retail outlets shall have VRS by July 2021.*

*VRS stage IA (storage terminals): March 2024.”*

4. In terms of the above direction issued under Section 5 of the EP Act, 1986, appellant was required to install VRS stage IA (storage terminal) by March, 2024. The appellant had failed to comply with the same and had failed to set up VRS Stage IA in the storage terminals by March 2024, therefore, show cause notice dated 04.09.2024 was issued to the appellant under Section 5 of the EP Act, 1986 requiring the appellant to show cause as to why EC of Rs. 1 crore be not imposed upon it for not installing VRS within the CPCB prescribed timeline. The appellant had given reply to the said show cause notice on 24.09.2024. The CPCB thereafter had passed the order dated 11.11.2024 under Section 5 of the EP Act, 1986 imposing the EC of Rs. 1 crore on the appellant and directing the appellant to pay the EC amount for not installing the VRS at 28 storage terminals within the CPCB prescribed timeline. The appellant was directed to deposit the said EC amount within a period of 15 days.

5. The appellant on 28.11.2024 had made an application for review of the above direction issued on 11.11.2024. The said review applicant has been considered by the CPCB and the CPCB in the impugned order has reiterated its direction to deposit the EC of Rs. 1 crore within 15 days with a further stipulation that failing to deposit the said amount, CPCB will consider to close the operation of the concerned terminals. This order dated 23.07.2025 is under challenged in this appeal.

6. Learned Counsel for the appellant submits that since there was a fresh cause of action while passing the impugned order dated 23.07.2025, therefore, appellant was not required to challenge the earlier order dated 11.11.2024. He has further submitted that before passing the impugned order dated 23.07.2025, no show cause notice was given to the appellant and appellant in their reply had given the reasons for expressing the difficulty in complying with the direction. Therefore, CPCB ought to have extended the time limit for compliance and reasons disclosed by the CPCB in the reply that time limit could not be extended on account of the order of the Hon'ble Supreme Court and NGT are *de-horse* the reasoning which has been given in the impugned order which is not permissible in terms of the Division Bench's order of Delhi High Court in the matter of *Indian Oil Corporation Ltd. Vs. SPS Engineering Ltd. reported in 2006 (SS) DRJ 93 (DB)*.

7. Opposing the appeal, Learned Counsel for respondent-CPCB has submitted that appellant had not sought any extension within time, CPCB has acted as per the directions of the Hon'ble Supreme Court and NGT and that due opportunity of hearing was given to the appellant before passing the original order and the original has not been challenged, therefore, this appeal against the subsequent order cannot be entertained and the limitation has expired for challenging the original order and all other companies have complied with the order of the CPCB.

8. We have heard the Learned Counsel for the parties and perused the records.

9. In the present case, it is not in dispute that in terms of the guidelines of the CPCB dated 07.01.2020 and in compliance of the directions issued by the CPCB under Section 5 of the EP Act, 1986 on 18.09.2020, the appellant was required to install VRS stage-II (storage terminals) by March 2024. It is not in dispute that appellant has failed to install VRS stage-1A in all its terminals within the trimline so prescribed by CPCB in the guidelines and the directions issued under Section 5 of the EP Act, 1986.

10. The appellant had not made any application to the CPCB for extension of the timeline before March 2024 i.e. before the expiry of the timeline. The first application/representation made by the appellant to the CPCB for extension of the timeline was on 10.05.2024 which was after March 2024.

11. Even otherwise, CPCB was bound by directions of Hon'ble Supreme Court as well as directions of the Tribunal. The Directions of the Tribunal dated 23.12.2021 passed in OA No.138/2020 (SZ) was very clear wherein Tribunal had directed as under:

*“xxx.....xxx.....xxx*

*69. In the result, this application is disposed of as follows:-*

- i. We made it clear that all the Retail Petroleum Outlets which are located in cities having more than 10 Lakh population should have installed the VRS hanism which are having turnove having turnover of more than 300 KL/Month and above, as insisted by the Central Pollution Control Board in consultation with the Ministry of Petroleum and Natural Gas as per circular dated 12.12.2016. If any of the Retail Petroleum Outlets had not installed the same within the time frame fixed by the CPCB or extended by the Hon'ble Apex Court in this regard, then CPCB is directed to take appropriate action against those petroleum outlets/storage depot which have not complied with the same by imposing environmental compensation as directed by the Principal Bench of National Green Tribunal, New*

Delhi in O.A. No.147 of 2016 (Aditya N. Prasad &Ors. Vs. Union of India &Ors.).

- ii. As regards the new petroleum outlets of Stage 1 and Stage 2 (having 100 KL/Month to 300 KL/Month) and for Stage 1A (Storage depots) are concerned, the same will have to be installed within the extended time fixed by the CPCB both by public sector undertaking and private sector undertaking and if there is any violation found, then they are directed to take appropriate action for such violation as directed by the Principal Bench of National Green Tribunal, New Delhi in O.A. No.147 of 2016 (Aditya N. Prasad SEN TRIBUN & Ors. Vs. Union of India &Ors.).
- iii. The Central Pollution Control Board (CPCB) as well as the State Pollution Control Boards are directed to issue direction under Section 5 of the Environment (Protection) Act, 1986 and Section 18 of the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 to make it mandatory to obtain Consent to Establish and Consent to Operate for new petroleum outlets to be established in future and even to those which are under the preparation of establishment, but not started construction as has been done by the State Pollution Control Board, Kerala and such a direction should be issued within a period of 3 (Three) months and till then, all the new Retail Petroleum Outlets are directed to apply for Consent to Establish and Consent to Operate before its establishment.
- iv. We also direct all the existing Retail Petroleum Outlets irrespective of its turnover to obtain Consent to Operate for the existing outlets within a period of 6 (Six) Months. If it is not obtained, then the concerned State Pollution Control Board is directed to take appropriate action against such petrol pumps in accordance with law.
- v. Considering the circumstances, parties are directed Considering the circumstances, part to bear their respective cost in the application.
- vi. The Registry is directed to communicate this order to the Ministry of Environment, Forests & Climate Change (MoEF&CC), Central Pollution Control Board, New Delhi, Integrated Regional Office of the Central Pollution Control Board, Bangalore and Chennai, State Pollution Control Boards of Tamil Nadu, Kerala, Andhra Pradesh, Telangana, Karnataka and also to the Pollution Control Committee of Union Territory of Puducherry for their information and compliance of the direction.”

12. The aforesaid order of the Tribunal was subject matter of appeal before the Hon'ble Supreme Court in *Civil Appeal No.421/2022: M/s Indian Oil Corporation Limited Vs. V. B. R. Menon & Ors.* and connected Civil Appeals. The present appellant was one of the appellant before the Hon'ble

Supreme Court and Hon'ble Supreme Court by order dated 14.03.2023 while disposing of the appeals had directed as under:-

*“xxx.....xxx.....xxx*

48. *In view of the aforesaid, we dispose of the Civil Appeal No. 2039 of 2022 in the following terms:-*

*(a) The CPCB shall ensure that all the retail petroleum outlets located in different cities having population of more than 10 lakh and having turn over of more than 300 KL/Month shall install the VRS mechanism within the fresh timeline as prescribed in its Circular dated 04.06.2021. To put it in other words, the CPCB shall ensure that the directions issued by the NGT as contained in para 69(1) and (ii) of the impugned order is fully complied with. It shall be the legal obligation of all the State Pollution Control Boards to ensure that the directions issued by the NGT in regard to the installation of the VRS mechanism is complied with within the fresh timeline as prescribed by the CPCB.”*

13. In terms of the aforesaid direction, CPCB was required to ensure that all the retail petroleum outlets comply with the fresh timeline and install VRS mechanism within the timeline as prescribed in the circular dated 04.06.2021. The Hon'ble Supreme Court had also directed the CPCB to ensure compliance of the directions of the Tribunal in the aforesaid order.

14. So far as, extended timeline prescribed in the circular dated 04.06.2021, same was as under:-

*“Complete installation of VRS at all existing retail outlets selling more than 100 KL per month and located in million plus cities, and retail outlets selling more than 300 KL per month and located in cities with population between 01 Lakh to 1 Million (except Delhi-NCR) as per the prescribed timelines:*

*VRS Stage II: 100% retail outlet by October 2022 out of which 50% of retail outlets shall have VRS by June 2022.*

*VRS Stage IB: 100% retail outlets by June 2022 out of which 50% of retail outlets shall have VRS by December 2021.*

*VRS Stage IA (Storage Terminals): March 2024.*

*It is to further mention that these amended timelines are timelines till final selection of vendors is done for installation of all Dispenser Units, which shall be intimated to CPCB by OMCs, by July end as indicated in the said letter.”*

15. Hence, CPCB was bound by order of the Hon'ble Supreme Court and was required to ensure that VRS stage IA(storage terminal) is installed by March 2024, therefore, it is not within the powers of the CPCB to extend the timeline.

16. Hence, we are of the view that appellant was fully aware of the order of the Hon'ble Supreme Court and, therefore, plea which is taken by CPCB relying upon the order of the Hon'ble Supreme Court is not addition or substitution of the reasons which are assigned in the impugned order. Hence, appellant is not entitled to the benefit of the Division Bench's order of Delhi High Court in the matter of Indian Oil Corporation Ltd (supra).

17. That a part, we also find that original order was passed by the CPCB on 11.11.2024. The said order has not been challenged by the appellant and has attained finality. The impugned order dated 23.07.2025 only seeks compliance of the original order dated 11.11.2024, therefore, without interfering in the order dated 11.11.2024, there is no justification to interfere with the impugned order dated 23.07.2025.

18. That a part, it is also noted that original order dated 11.11.2024 was passed by the CPCB after duly complying with the Principles of Natural Justice and issuing the show cause notice to the appellant to which the appellant had also filed the reply, therefore, the original order did not suffer the defect of non-compliance of the Principles of Natural Justice.

19. Learned Counsel for the appellant has also placed reliance upon the order of the Tribunal dated 10.07.2025 passed in Appeal 26/2024 in the matter of *Reliance Industries Ltd. Vs. Central Pollution Control Board & Ors.* The said order stands on a different footing, as in that case order passed by the Tribunal in OA No. 147/2016 was the subject matter of challenge before the Hon'ble Supreme Court and the Hon'ble Supreme Court had

extended the timeline and the appellant therein had done the compliance within the extended timeline.

20. It has also been pointed out by Counsel for the respondent-CPCB that in terms of the directions dated 18.09.2020, appellant was required to submit monthly progress report of installation of VRS but no such monthly progress report was submitted by the appellant and after the expiry of the time limit fixed by that order, appellant had approached the respondent-CPCB for extension.

21. For reasons so assigned and in view of the above analysis, we find no ground to interfere in the impugned order.

22. At this stage, Learned Counsel for the appellant has submitted that by impugned order, appellant has been directed to pay EC amount within 15 days, therefore, said time period be extended to four weeks.

23. The Counsel for CPCB has no objection to the said prayer. Hence, the said prayer is accepted.

24. The Appeal is accordingly dismissed.

25. Pending IA is also disposed of.

Prakash Shrivastava, CP

Dr. A. Senthil Vel, EM

Dr. Afroz Ahmad, EM

March 25, 2026  
Appeal No. 53/2025  
(IA No 556/2025)  
JG.