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Case Brief: Indian Oil Corporation Ltd. v. Deepak Sharma

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This case answers the debatable question i.e. can an expert committee appointed by a tribunal decide a dispute instead of the tribunal itself ? Indian Oil Corporation Ltd. v. Deepak Sharma made clear that technical assistance is permitted, but adjudication cannot be handed over. A committee may collect facts but the final legal decision must come from the **National Green Tribunal** (NGT), after following natural justice.

Citation: Indian Oil Corporation Ltd. v. Deepak Sharma, 2026 INSC 278

Case: Civil Appeal No. 3042 of 2023 with Civil Appeal Nos. 4991–4992 of 2024

Date of judgment: 23 March 2026

Court: Supreme Court of India

Bench: Justice Sanjay Kumar and Justice K. Vinod Chandran

Relevant provisions: Sections 14, 15, 19(1) and 25 of the National Green Tribunal Act, 2010, CPCB Siting Guidelines dated 7 January 2020, Petroleum Rules, 2002.

Facts of the Case (Indian Oil Corporation Ltd. v. Deepak Sharma)

Indian Oil Corporation Ltd. v. Deepak Sharma and other appellants proposed to establish a petrol pump or retail outlet in Haridwar, Uttarakhand. The project had received a Letter of Intent and several No Objection Certificates (NOCs) from public authorities.

Deepak Sharma approached the NGT objecting to the project. He alleged that the proposed outlet violated the **Central Pollution Control Board** (CPCB) guidelines on the location of new petrol pumps. The objections referred to the outlet's proximity to a gas agency, a play school, residential structures and a high-tension line.

The CPCB guidelines dated 7 January 2020 stated that new retail outlets should ordinarily not be located within 50 metres of schools, hospitals with ten beds or more, or residential areas designated under local law. Where the 50-metre distance was not possible, a 30-metre distance could be accepted if additional safety measures prescribed by the **Petroleum and Explosives Safety Organisation** (PESO) were followed. The guidelines also prohibited a high-tension line from passing over the outlet.

The NGT asked a committee consisting of representatives of the CPCB, Uttarakhand Pollution Control Board and State Environment Impact Assessment Authority to examine the matter. The committee's initial report indicated that the outlet could be established because business activities existed in and around the proposed site.

Despite the findings in this report, the NGT held that the site was objectionable. Invoking the precautionary principle, the NGT suspended the NOCs in abeyance and tasked the committee to take a final decision within one month. As a result, the project was delayed for several years.

Procedural History

The NGT requested the committee's report on 25 September 2020. Subsequently on 1 February 2021, the NGT deferred its final compliance ruling to the committee and kept the NOCs. Following a subsequent report, Deepak Sharma submitted an execution petition under Section 25. On 11 November 2022, the NGT, acting without giving notice regarding the admission date, placed reliance on the report and ordered the District Magistrate to ensure compliance.

Indian Oil Corporation and the other appellants challenged both NGT orders before the Supreme Court.

Issues Before the Court

1. Whether the NGT could delegate its final adjudicatory decision to an expert committee.
2. Whether the NGT's execution order was passed in breach of natural justice.
3. Whether the proposed petrol pump violated the CPCB's siting guidelines.
4. Whether the objection was supported by a genuine and legally recognisable grievance.
5. What relief should be granted after the prolonged delay.

Arguments of the Parties

The appellants argued that all clearances had been obtained and that the committee's report described the site as commercial. They submitted that the play school was not functioning and no high-tension line passed over the site.

They further argued that Deepak Sharma had not shown a direct interest and that the NGT had relied on precaution without finding an actual violation.

The respondent argued that the project breached the CPCB guidelines and threatened nearby residents. He challenged the subsequent report and invoked the precautionary principle.

Judgment of the Supreme Court

The Supreme Court in Indian Oil Corporation Ltd. v. Deepak Sharma allowed the appeals and set aside both NGT orders. It directed the District Magistrate, Haridwar, to reconsider the matter under current law and permit the petrol pump if the requirements were satisfied.

1. The NGT cannot transfer adjudication to a committee

The Court held that the NGT is a judicial and adjudicatory body. Sections 14 and 15 of the NGT Act entrust it with the power to decide environmental disputes and grant relief, compensation and restitution. Its composition itself combines judicial members with environmental experts. This design does not permit the Tribunal to avoid deciding the case.

An expert committee may assist the NGT with technical investigation, field inspection or complex scientific questions. Its report is evidence or expert assistance not as a judgment. The committee cannot be empowered to take the final decision in place of the NGT.

Further the Court distinguished executive committees from committees appointed by a tribunal. A committee appointed by the NGT works only as its aid. After receiving its report, the NGT must examine the material, hear the parties and decide the dispute itself.

The Court also relied on earlier decisions, including Sanghar Zuber Ismail v. Union of India, Kantha Vibhag Yuva Koli Samaj Parivartan Trust v. State of Gujarat and Singrauli Super Thermal Power Station v. Ashwani Kumar Dubey. These cases establish that an expert committee cannot replace adjudication.

2. Natural justice is mandatory

The Court found the later execution order even more problematic. The NGT passed it on the first date of consideration and without issuing notice to the affected parties. It did not invite objections to the committee report or give the appellants a reasonable opportunity to respond.

Section 19(1) of the NGT Act requires the Tribunal to follow the principles of natural justice.

These principles include notice, a fair opportunity to present one's case and an impartial consideration of the material. A report uploaded or placed on record cannot automatically become the basis for an adverse order. Parties must be allowed to challenge its contents and explain their position.

3. The site had to be tested against the actual legal rule

The Court examined the CPCB guidelines rather than accepting a general objection about nearby buildings. The relevant restriction applied to a residential area designated as such under local law. The material indicated that the proposed site fell in a commercial area under the Haridwar Master Plan, 2025. A residence or residential colony nearby did not automatically establish a violation unless it fell within a legally designated residential area for the purpose of the guidelines.

The Court also noted that the nearby play school was not operational and that the records did not establish a high-tension line passing over the site. The safety question therefore required a fact-based decision under the applicable guidelines, not a general assumption that every nearby structure prohibited the outlet.

4. Delay and public interest mattered

The project had remained uncertain for about six years. The Court declined to send the matter through another prolonged remand because further delay would prejudice the appellants and the public. It directed a fresh consideration by the District Magistrate, while making clear that the outlet could proceed only if it complied with the laws then in force.

The Court also questioned the respondent's locus because he could not establish a clear connection with the site. An environmental objection must still be supported by facts and a genuine legal grievance.

Ratio Decidendi of Indian Oil Corporation Ltd. v. Deepak Sharma

The adjudicatory powers of NGT under Sections 14 and 15 of the NGT Act are non-delegable. An expert committee can find facts and provide technical assistance but cannot decide the dispute or substitute its finding for the reasoned adjudication of the NGT. The NGT has to exercise its independent mind, follow the provisions of Section 19(1), issue notice and afford a fair opportunity of hearing.

Why is it Important for CLAT PG Students?

Indian Oil Corporation Ltd. v. Deepak Sharma links environmental law with administrative law and tribunal procedure. It assures that expertise cannot not replace judicial decision-making, nor does it allow an advisory report to become an unchallengeable order. In short committees of experts can advise but the NGT has to decide after hearing the parties and making its own assessment of the report.

Natural justice still is vital in environmental cases but urgency cannot justify deciding against a party without notice. Therefore, the precautionary principle must be applied through a lawful process. Hence, the *Indian Oil Corporation Ltd. v. Deepak Sharma* protects the integrity of environmental adjudication. It is important to remember that technical assistance may be delegated, but adjudicatory responsibility cannot be. The case also confirms that environmental protection and the precautionary principle must operate with natural justice, strict statutory compliance and procedural fairness.