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M.C. MEHTA V. UNION OF INDIA (1986): THE DOCTRINE OF ABSOLUTE LIABILITY

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INTRODUCTION

In the past few decades, India has been industrialising at a rapid pace, regarding which environmentalists have raised concerns making environment protection an even more important legal concern. Many cases and PILs have been filed to protect the environment and the public health, simultaneously keeping in mind the development necessary for our country. One such landmark case has been the 1986 M.C. Mehta v. Union of India Case, prominently known as the Oleum Gas Leak Case.¹

The Oleum gas leak that resulted in the death of one person and left many injured, pushed M.C. Mehta to request legal action. Later, this case made way for what became an indispensable part of the Environmental Jurisprudence in India and transformed industrial liability i.e., the doctrine of Absolute Liability.² It further influenced important legislative developments like the Environment (Protection) Act, 1986, and the Public Liability Insurance Act, 1991.³

The commentary attempts to examine the factual background, legal issues, judicial reasoning, and the impact of the judgement with particular emphasis on the doctrine of Absolute Liability and its contribution to Indian Environmental Jurisprudence.

FACTS OF THE CASE

¹ M.C. Mehta v. Union of India, (1987) 1 SCC 395.

² Id.

³ See M.C. Mehta v. Union of India, (1987) 1 SCC 395; *Environment (Protection) Act*, No. 29 of 1986; *Public Liability Insurance Act*, No. 6 of 1991.

It began with the writ petition filed by M.C Mehta⁴ under Article 32 for the closure or relocation of the various units of Shriram Foods and Fertilizers Industries (here-in-after referred to as 'Shriram'), a subsidiary of the Delhi Cloth Mills, for the reason that it was a hazardous industry located in a very densely populated area of Delhi.

However, while the petition was pending, on 4th December, 1985, the Oleum gas leaked from one of the units of Shriram leading to the death of one person and injuries and health complications to several others. Within two days, another spillage occurred on 6th December, 1985. Thereafter, the Delhi Legal Aid and Advice Board and the Delhi Bar Association filed applications, seeking compensation for the victims of this incident.⁵

This incident led to the landmark case of M.C. Mehta and Anr. v. Union of India and Ors. (1986), which raised questions about the liability of enterprises engaged in inherently hazardous activities and the extent of the Supreme Court's power to award compensation under Article 32 of the Indian Constitution. These issues firmly shaped the court's decision later on.

ISSUES BEFORE THE COURT

The Supreme Court was called upon to determine the following issues:

1. Whether a private corporation such as Shriram, engaged in activities of public importance with potential to affect life and health of the community, could be regarded as 'other authority' within the meaning of Article 12 of the Constitution.
2. The extent of Supreme Court's jurisdiction and powers under Article 32 to award compensation and provide relief for the infringement of fundamental rights.
3. The appropriate measure of liability of an enterprise engaged in hazardous or inherently dangerous activities that may negatively affect the public health and the environment.
4. Whether the rule of strict liability laid down in *Rylands v. Fletcher*⁶ was adequate to govern the liability of enterprises engaged in hazardous or inherently dangerous activities.

JUDGEMENT AND REASONING

Date of Judgement: December 20th, 1986.

⁴ M.C. Mehta v. Union of India, Writ Petition (Civil) No. 12739 of 1985 (India).

⁵ M.C. Mehta v. Union of India, (1987) 1 SCC 395.

⁶ *Rylands v. Fletcher*, (1868) L.R. 3 H.L. 330 (U.K.).

Bench: Justice P.N. Bhagwati (CJ), Justice Rangnath Misra, Justice G.L. Oza, Justice M.M. Dutt, and Justice K.N. Singh.

The Ruling and Reasoning: The Court ultimately left the Article 12 question open, but proceeded to discuss the scope of Article 32. It held that the Supreme Court under Article 32 is obliged to protect fundamental rights by issuing directions, orders, or writs. The scope and extent of the court's power is not limited to injunctive (preventive) powers; it also extends to remedial relief, which means that the court can grant effective remedies for the enforcement of fundamental rights, particularly in matters involving public interest. It can be done through an award of compensation under Article 32, but only if the violation of fundamental rights in that case is gross, patent, incontrovertible, serious and ex facie glaring⁷ (immediately apparent). This ensures that only exceptional cases are considered for compensation so that the majority cases do not bypass the normal route for compensation claims i.e., the Civil Courts.

The Bench concluded that the strict liability under *Rylands v. Fletcher* was inadequate for modern industrial society as it was ill-suited to the technological complexities of the modern industrial society. The strict liability principle states that if a person who brings on to his land and collects and keeps there anything likely to do harm and such thing escapes and does damage to another, he is liable to compensate for the damage caused. However, several exceptions surrounded the principle, such as the Act of God or the negligence of the person injured.⁸

Justice Bhagwati noted that the modern society had entered an era of industrialization. It needs to carry on with hazardous and inherently dangerous industries for the sake of development while ensuring the safety of the people. Therefore, the enterprises could neither be shut down nor be handled leniently. The strict liability principle was developed in a different social and economic context, contains several exceptions (kept adding on over the years), and those exceptions could allow hazardous industries to escape liability. Therefore, the court reasoned that modern enterprises possessing dangerous substances should bear a higher responsibility.

This led to the introduction of doctrine of Absolute Liability.⁹ It held that the enterprises engaged in hazardous or inherently dangerous activities have an absolute and non-delegable

⁷ M.C. Mehta v. Union of India, (1987) 1 SCC 395.

⁸ *Rylands v. Fletcher*, (1868) L.R. 3 H.L. 330 (U.K.).

⁹ M.C. Mehta v. Union of India, (1987) 1 SCC 395.

duty¹⁰ to ensure that no harm is done. If harm occurs, the liability stays absolute regardless of the evidence of negligence. The court also noted that the measure of compensation must be co-related to the magnitude and capacity of the enterprise¹¹; the larger and more prosperous the enterprise is, the greater is its obligation, responsibilities, and the compensation that it would have to pay.

P.N. Bhagwati emphasised in the judgement that “Law has to grow in order to satisfy the needs of the fast-changing society and keep abreast with the economic developments taking place in the country.”¹²

CRITICAL ANALYSIS

The Oleum Gas Leak Case became a landmark judgement as it departed from the traditional English common law¹³ and introduced the doctrine of Absolute Liability. It emphasised that industrial growth could not come at the expense of public health and safety. By replacing the restrictive rule in *Rylands v. Fletcher*, it adapted tort law to India’s rapidly industrialising economy as the court argued that Indian Jurisprudence should not be restricted by the “crutches of a foreign legal order.”¹⁴ The doctrine of Absolute Liability allowed no exceptions for acts of God, third-party sabotage, or the claimant’s own negligence.¹⁵ This ensured that industries bear the “social cost”¹⁶ of their own hazardous activities as a condition for being permitted to operate to incur profit. Thus, the victims no longer had to prove the negligence of the industry, which prioritised the victim and broadened the enforcement of fundamental rights.

The Court also redefined the scope of Article 32 ensuring the Supreme Court’s power is not limited to injunctive but extends to remedial relief as well. This allowed the court to award compensation and forge new remedies in “appropriate cases.” Moreover, the introduction of epistolary jurisdiction¹⁷ (whereby the court can be called upon via a simple letter) increased the accessibility to justice for the poor and marginalised.

¹⁰ Id.

¹¹ Id.

¹² Id.

¹³ Divyam Aggarwal, *Conundrum of Absolute Liability in Indian Environmental Jurisprudence*, SSRN Electronic Journal (2021).

¹⁴ M.C. Mehta v. Union of India, (1987) 1 SCC 395.

¹⁵ Id.; Ashna Chandra, *Oleum Gas Leak Case: Case Study*, iPleaders Blog (July 13, 2021).

¹⁶ M.C. Mehta v. Union of India, (1987) 1 SCC 395.

¹⁷ Id.

The judgement also reflected the deep pocket theory¹⁸, where the measure of compensation would be co-related to the magnitude of the capacity of the enterprise. This brought in a deterrent effect encouraging larger enterprises to prevent any such hazardous accidents from happening. Later, this case influenced landmark legislation such as, the Environmental (Protection) Act, 1986 and the Public Liability Insurance Act, 1991.¹⁹ These acts gave the central government wide-ranging powers to regulate pollution and protect victims.

Despite its strong and positive impact, the doctrine of absolute liability still faces challenges. Some legal critics have debated whether the principle was the ratio decidendi (binding rule) or merely obiter dictum (persuasive comment) as the court did not directly award compensation to Shriram's victims in the specific writ.²⁰

Also, recent incidents like the 2020 Visakhapatnam Gas Leak highlights the regressive trend as the National Green Tribunal initially applied the principle of strict liability despite the hazardous nature of the incident.²¹ Although it changed it to "strict and absolute liability" later on, it still raises concerns over the legal role of the doctrine.

CONCLUSION

M.C. Mehta v. Union of India remains a defining milestone in Indian environmental jurisprudence. It has enhanced accountability through the doctrine of Absolute Liability and expanding judicial power and the fundamental rights (Article 32 & 21 respectively). It also led to legal discussions and debates worldwide, and has been widely cited as an example of how judicial activism can lead to major environmental reforms. Regardless of the continuing challenges, it serves as a cornerstone of India's legal response to industrial hazards.

¹⁸ Shraddha Kedia, *Case Comment: M.C. Mehta v. Union of India (1987)*, Lawctopus.

¹⁹ Nimish Bassi, *Case Analysis: M.C. Mehta v. Union of India (Oleum Gas Leak Case)*, Supremo Amicus (2018).

²⁰ Divyam Aggarwal, *Conundrum of Absolute Liability in Indian Environmental Jurisprudence*, SSRN Electronic Journal (2021).

²¹ Id.