

BLOGS

Let's Look into Validity of Maharashtra's Methanol Additive Rules Under the Proportionality Doctrine

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Citation and Bench

M/S Balaji Formalin Pvt. Ltd. & Anr. v. Union of India & Anr., 2026 LiveLaw (SC) 954, which has illustrated the validity of Maharashtra's Methanol Rules, was decided on September 18, 2026, by a bench of Justice J.B. Pardiwala and Justice K. Vinod Chandran.

Background

Maharashtra introduced **Rules 18A and 18B of the Maharashtra Poisons Rules, 1972 in 2011,** following the 1991 Mumbai hooch tragedy that claimed ninety-three lives after victims consumed spurious liquor laced with methanol.

Rule 18A required sellers to verify a purchaser's licence and mix methylene carmine and denatonium saccharide into every hundred litres of methanol before sale, except where the methanol was meant for drug manufacture.

Rule 18B provided for confiscating methanol found without a valid Form A licence.

Manufacturers using methanol to produce formaldehyde, paraformaldehyde, resins, and other industrial products challenged both rules, *arguing that the mandatory additives degraded the quality and usability of their products without meaningfully preventing the harm the rules claimed to address.*

Legal Issue

The central question before the Court was ***whether Rules 18A and 18B satisfied the proportionality standard under Article 14***, meaning whether a regulation pursuing a

legitimate state aim, but imposing a continuous commercial burden, bore a rational and proximate nexus to the harm it sought to prevent.

The Court's Reasoning

The Court accepted that *preventing deaths from methanol-adulterated liquor constitutes a legitimate state objective*. However, it held that **Maharashtra failed to establish a rational nexus between that objective and the specific means chosen**.

Mixing bitterant and colourant into methanol only aids identification after diversion has already occurred; it does not physically prevent diversion, nor does it alter methanol's chemical composition so as to render it unusable in illicit liquor manufacture.

Applying the **proportionality framework** laid down in **Justice K.S. Puttaswamy v. Union of India**, the Court examined whether the restriction pursued a legitimate aim, whether it constituted a suitable means to that aim, whether a less restrictive alternative existed, and whether the burden imposed was proportionate to the benefit secured.

The State could not demonstrate the absence of a less restrictive alternative, since existing safeguards within the *Poisons Rules*, if properly enforced, could address pilferage and diversion more directly than a mandatory additive requirement.

On Rule 18B, the Court found a separate, independent defect: the rule became unworkable wherever a person lawfully held methanol under a Form B permit, since insisting on a Form A licence in such cases rendered the Form B permit meaningless. This internal inconsistency reinforced the finding of arbitrariness.

Holding

The Court struck down both Rule 18A and Rule 18B as manifestly arbitrary and violative of Article 14, holding that the rules addressed a mischief they did not, in practice, remedy, while imposing a continuous burden on affected industries.

Directions Issued

Despite striking down the specific rules, the **Court issued extensive suggestions to states and union territories for preventing future hooch tragedies.**

These included **inter-departmental coordination between excise, police, transport, and health authorities; stricter monitoring of methanol transport through dedicated, tamper-sealed containers; periodic re-verification of licences rather than one-time grants mandatory reconciliation of consumption** and stock records to flag unexplained shortfalls; and **a comprehensive health-sector disaster response policy for mass liquor poisoning incidents.**

The Court directed its Registry to circulate the judgment to all High Courts and state Chief Secretaries.

*This ruling extends the **four-part proportionality test from Puttaswamy** beyond its original privacy-law context, applying it as a general standard for testing administrative rule-making under **Article 14**.*

It draws a sharp doctrinal line between a legitimate state objective and a disproportionate means of pursuing it, a distinction examiners frequently test through altered fact patterns involving regulatory overreach.

The judgment also illustrates a court combining a strike-down order with detailed, non-binding policy directions, a technique worth noting for questions on judicial review and the separation of powers.