BLOGS

Detailed Case Analysis of M. C. Mehta v. Union of India [Oleum Gas Leak Case]

Khushi Malviya · 14 Apr 2026

Justice P.N. Bhagwati established the principle of 'absolute liability' in the case of MC Mehta v. Union of India, also known as the Oleum Gas Leak Case. Read more about it here!

Introduction

The case of MC Mehta v. Union of India, often referred to as the Oleum Gas Leak Case, is a landmark decision in Indian environmental law. This case was triggered by the leakage of oleum gas from one of the units of Shriram Foods and Fertilizers Industries in Delhi in December 1985, following closely on the heels of the Bhopal Gas Tragedy. The Supreme Court, led by Justice P.N. Bhagwati, established the principle of "absolute liability" in this case.

Facts of the Case

Shriram, a subsidiary of Delhi Cloth Mills Ltd., operated several industrial units on approximately 76 acres of land in a densely populated area in Delhi. These units manufactured chemicals such as caustic soda, chlorine, hydrochloric acid, and sulphuric acid.

Following the Bhopal Gas Disaster in 1984, concerns about safety at Shriram's plant prompted government inspections and recommendations for improvements. In March 1985, the dangers of potential leaks from Shriram's caustic chlorine plant were discussed in Parliament, leading to further inspections and safety recommendations.

Subsequently, MC Mehta filed a writ petition under Article 32 of the Constitution seeking the closure of Shriram's hazardous industrial units. During the pendency of this petition, an oleum gas leak occurred on 4th December 1985, causing harm to workers and the public, including the death of an advocate.

In response, the Delhi administration issued an order under Section 133(1) of the Code of Criminal Procedure, 1973, directing Shriram to stop using harmful chemicals, remove them to a safer place, or appear in court to show cause.

The legal proceedings involved multiple writ petitions, with MC Mehta seeking the closure of Shriram's hazardous units and Shriram contesting orders to stop production. The Supreme Court addressed these issues, focusing on the constitutional validity of industrial operations in densely populated areas.

Arguments Advanced in the Oleum Gas Leak Case

The petitioner argued against the reopening of the caustic chlorine plant, citing the Agarwal Committee's findings that highlighted inadequate safety measures. Additionally, they pointed out that the plant's location in a densely populated area made it impossible to eliminate hazards completely.

The trade unions, Lokahit Congress Union and Karamchari Ekta Union, contended that permanently closing the plant would result in the unemployment of approximately 4,000 workers. They stressed the significant social and economic impact of such a decision.

The Additional Solicitor General, representing both the Delhi administration and the Union of India, maintained their objections to the plant's reopening. However, they suggested that if the Court decided in favor of reopening, it should be conditional on the implementation of strict safety measures to prevent future incidents.

Shriram's counsel pleaded for the plant's reopening, asserting that all safety recommendations had been implemented, which significantly reduced the risk of chlorine gas leakage. They emphasized the adverse effects of the plant's closure on employment and the functioning of the Delhi Water Supply Undertaking. Additionally, they raised a preliminary objection regarding constitutional issues, suggesting that the petitioner could amend the writ petition for compensation. The Court noted that compensation applications had already been filed by the Delhi Legal Aid and Advice Board and the Delhi Bar Association.

Supreme Court Observations and Actions

- Environmental Impact on the Taj Mahal: The Supreme Court noted that both chemical pollution and socio-economic factors were degrading the Taj Mahal and affecting people in the Trapezium Zone. It ordered 292 industries to switch to safer fuels like propane instead of coke/coal or relocate.
- Gas Authority of India Limited (GAIL): GAIL was put in charge of gas applications for these industries.
- Worker Rights: The court granted workers some fundamental rights and ensured they would be paid during any relocation period.

Steps by the Supreme Court

1. Expert Inspection: Before hearing the petitions on December 7, 1985, the court appointed the Nilay Choudhary Committee to inspect a caustic chlorine plant and report on safety recommendations. The committee reported verbally that most recommendations were implemented.
2. Petitioner's Experts: The court allowed the petitioner to appoint their own experts to inspect the plant and assess hazard sources and safety implementations.
3. Compensation Claims: The Chief Metropolitan Magistrate was appointed to handle compensation claims for victims of oleum gas leakage. The Delhi State Legal Aid and Advice Board was directed to arrange medical checkups for victims to support compensation claims.

Administrative Actions

- Seturaman Committee: Formed on December 4, 1985, by the Lieutenant Governor of Delhi to investigate the oleum gas leakage. The committee reviewed safety measures, identified responsible parties, evaluated emergency measures, assessed factory risks to the public, and made recommendations, including whether to relocate the factory.
- Factory Inspector and Municipal Actions: On December 7, 1985, the Inspector of Factories banned the use of caustic chlorine and sulphuric acid plants until safety measures were adopted. Subsequently, on December 13, 1985, the Assistant Commissioner of factories issued a show cause notice to Shriram for license cancellation, and on December 24, 1985, Shriram was ordered to cease industrial use of the premises. Both orders were later suspended by the Supreme Court.

Judgement of the Case

The Supreme Court's final decision in the Oleum Gas Leak Case allowed Shriram to reopen the caustic chlorine plant under strict conditions. Although the orders by the Inspector and Assistant Commissioner of factories from December 7 and 24, 1985, were not vacated, they were suspended. The Court imposed ten conditions, including regular monitoring by an expert committee, engagement of a plant operator for safety supervision, surprise inspections by the Chief Inspector of Factories, and oversight by a Central Board senior officer on waste management compliance.

Shriram's Chairman and Managing Director were required to submit an undertaking accepting liability for future accidents and compensation. The trade unions, Lokahit Congress Union and Karamchari Ekta Union, were tasked with forming a safety supervision committee, and the management had to train employees and union representatives on safety measures.

Information on chlorine gas hazards had to be displayed in both English and Hindi, and employees needed ongoing training and mock drills. The Court also mandated the installation of loudspeakers for emergency warnings and regular medical checkups for employees.

Shriram was ordered to pay Rs. 20 lakhs in compensation to oleum gas leakage victims and provide a Rs. 15 lakhs bank guarantee for future compensation claims, to be decided by the District Judge of Delhi in case of injury or death due to chlorine gas leakage within three years.

The Supreme Court, led by Justice P.N. Bhagwati, established the principle of "absolute liability" for enterprises engaged in hazardous activities. The court ruled that:

- Enterprises engaged in hazardous or inherently dangerous activities that pose potential threats to the health and safety of people must be absolutely liable for any harm resulting from such activities. This liability is not subject to any exceptions, such as acts of God or actions of third parties.
- The court emphasized that such enterprises have a social responsibility to ensure that their operations do not cause harm. In the event of an accident, they must bear the cost of compensating affected individuals and rectifying environmental damage.

Conclusion

The judgment in MC Mehta v. Union of India [Oleum Gas Leak Case] significantly influenced environmental jurisprudence in India. It established a robust framework for the liability of hazardous industries, ensuring better protection for the environment and public health. It also led to the reinforcement of industrial safety regulations and compliance standards and inspired the enactment of more stringent environmental laws and regulations. By introducing the principle of absolute liability, the Supreme Court of India set a high standard for corporate responsibility, ensuring that industries engaged in hazardous activities bear the full cost of any harm caused.

Also Read: Absolute Liability under Tort Law