



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalsivam Kamarajar"

Supreme Court Strikes Down Maharashtra Methanol Rules, Reinforcing Proportionality and Fundamental Rights in Industrial Chemical Regulation

Published On: 24-09-2026

Recent Developments: Supreme Court Invalidates Maharashtra's Methanol Restrictions

- In **M/s Balaji Formalin Pvt. Ltd. v. Union of India**, decided on **18 September 2026**, the Supreme Court struck down **Rules 18A and 18B of the Maharashtra Poisons Rules, 1972**, inserted through the 2011 amendment.
- The rules regulated the sale and possession of **methanol**, required specific denaturing measures before sale to non-drug manufacturers and provided for confiscation of methanol possessed without the prescribed licence.
- The Court held that the impugned provisions violated **Article 14** and **Article 19(1)(g)** of the Constitution because they were **manifestly arbitrary, disproportionate and unreasonable**.
- The judgment is significant for **fundamental rights, subordinate legislation, public health regulation, industrial activity and the Doctrine of Proportionality**.

Maharashtra Poisons Rules, 1972: Background and Regulatory Framework

Methanol and Its Industrial Importance:

- **Methanol, or methyl alcohol**, is a highly toxic chemical but an important industrial raw material used in **formaldehyde, paints, resins, pharmaceuticals, solvents and other chemical products**.
- Methanol is hazardous because ingestion can cause **severe poisoning, blindness, neurological damage and death**, particularly when it is illegally used in spurious liquor.
- The State therefore regulates its **sale, possession, storage and movement** under the broader framework governing poisons.

Origin of the 2011 Amendments:

- In **1991**, a major spurious-liquor tragedy occurred in Mumbai in which approximately **93 people died** after consuming liquor containing methanol.
- Following the tragedy, the Maharashtra Government constituted a committee under **P. R. Parthasarthy** to examine the causes of the incident and recommend preventive measures.
- Based on the committee's recommendations, Maharashtra amended the **Maharashtra Poisons Rules, 1972** in **2011** and introduced Rules 18A and 18B specifically for methanol regulation.

Impugned Rules: What Did Rules 18A and 18B Provide?

Rule 18A: Licensing and Mandatory Denaturing:

- **Rule 18A(1)** required a seller of methanol to ascertain its intended use and verify the purchaser's prescribed licence.

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: **044 4353 9988 / 98403 94477** / Whatsapp : **09710729833**

- **Rule 18A(2)** prohibited the sale of methanol to non-drug manufacturers unless it was first mixed with **methylene carmine**, a colourant, and **denatonium saccharide**, a bitterant.
- The prescribed quantity was **1 gram of methylene carmine and 4 grams of denatonium saccharide per 100 litres of methanol**.
- The stated objective was to make methanol **unpalatable and recognisable**, thereby reducing its diversion into illicit liquor.

Rule 18B: Confiscation:

- **Rule 18B** provided for confiscation of methanol found in possession without a valid **Form A licence**.
- The Court noted that this provision could conflict with the existing regulatory structure because lawful possession could also arise through a **Form B permit**.

Supreme Court Judgment: Constitutional Grounds for Striking Down the Rules

Article 14: Protection Against Arbitrariness:

- The Court held that the impugned provisions violated **Article 14** because the restrictions lacked a **rational nexus** with the objective of preventing methanol-related liquor tragedies.
- The problem identified by the Court was not the legitimacy of regulating methanol, but whether the particular regulatory mechanism was **rationally connected and constitutionally reasonable**.
- Illegal diversion, pilferage, corruption, misuse of licences and the availability of methanol through unregulated channels could continue despite mandatory colouration and bittering at the lawful point of sale.
- The Court therefore considered the restrictions **manifestly arbitrary** because they imposed substantial burdens without adequately addressing the principal mechanisms through which methanol entered illicit liquor.

Article 19(1)(g): Freedom of Trade and Profession:

- Article 19(1)(g) guarantees citizens the **freedom to practise any profession, or to carry on any occupation, trade or business**, subject to reasonable restrictions under Article 19(6).
- The Court found that mandatory denaturing imposed a **continuous and unreasonable burden** on legitimate industries that required chemically pure methanol.
- Industrial users demonstrated that the added colourant and bitterant could leave residues, interfere with chemical processes and adversely affect the quality of certain final products.
- The restriction therefore failed to qualify as a **reasonable restriction in the public interest** under Article 19(6).

Doctrine of Proportionality: Constitutional Test Applied by the Court

Four-Stage Proportionality Framework:

- The Court applied the proportionality framework associated with **K.S. Puttaswamy v. Union of India (2017)**.
- The framework examines four questions:
- **Legitimate aim:** Does the State action pursue a constitutionally legitimate objective?
- **Suitability:** Is the measure capable of advancing that objective?
- **Necessity:** Is there a less restrictive but equally effective alternative?
- **Balancing:** Does the benefit achieved justify the burden imposed on the affected right?

Application to Methanol Regulation:

- The Court accepted that preventing **loss of life from methanol-contaminated liquor** is a legitimate and important State objective.

- However, mandatory addition of colourants and bitterants was not sufficiently **suitable** because illicit liquor suppliers could obtain methanol through illegal channels that bypassed the regulated point of sale.
- The measure was also not **necessary** because stronger controls over **transportation, storage, diversion, pilferage and enforcement** could directly target the identified causes of illicit diversion.
- The burden on legitimate chemical industries was therefore disproportionate to the regulatory benefit claimed by the State.

Why the Court Rejected Mandatory Denaturing of Methanol

Regulatory Mismatch:

- The Court observed that the Parthasarthy Committee had identified several causes of liquor tragedies, including **illegal diversion, pilferage, corruption, confusion between methyl and ethyl alcohol and the lower cost of methanol**.
- Mandatory denaturing at the lawful point of sale could not effectively address diversion occurring **outside the regulated distribution chain**.
- Existing regulatory mechanisms relating to the **transportation and storage of hazardous substances** could also be strengthened to address pilferage and unauthorised diversion.
- The Court therefore distinguished between the legitimate objective of preventing methanol poisoning and an ineffective regulatory method that imposes substantial costs on lawful industries.

Industrial Alcohol Regulation in India: Constitutional and Federal Dimension

Earlier Position: Synthetics and Chemicals Case:

- In **Synthetics and Chemicals Ltd. v. State of Uttar Pradesh**, the earlier judicial position treated **industrial alcohol** differently from potable liquor for purposes of legislative competence.
- The earlier framework restricted the States' power primarily to **intoxicating or potable liquor**, while industrial alcohol was associated with the Union's regulatory domain.

State of Uttar Pradesh v. Lalta Prasad Vaish, 2024:

- In **State of Uttar Pradesh v. Lalta Prasad Vaish and Sons**, a **9-judge Constitution Bench** reconsidered the constitutional distribution of power concerning industrial alcohol.
- By an **8:1 majority**, the Supreme Court overruled the relevant position in **Synthetics and Chemicals** and interpreted **Entry 8 of the State List** more broadly.
- The majority held that the expression **“intoxicating liquors”** encompasses alcohol capable of being used in a manner detrimental to public health, including certain forms of industrial alcohol.
- The judgment therefore recognised a significant **State regulatory role over industrial alcohol**, particularly in relation to preventing its misuse and conversion into intoxicating liquor.

Poisons Act, 1919: Legal Basis for State Regulation

State Rule-Making Power:

- The **Poisons Act, 1919** is a Central legislation governing the import, possession and sale of specified poisons.
- **Section 2** empowers State Governments to make rules regulating the **possession and sale of poisons** within their respective territories.
- The Maharashtra Poisons Rules were framed under this statutory framework and therefore constitute **subordinate legislation**.
- The Supreme Court reiterated that subordinate legislation remains subject to **constitutional limitations, the parent statute and the requirements of reasonableness and proportionality**.

Methanol and India's Green Transition

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: **044 4353 9988 / 98403 94477 / Whatsapp : 09710729833**

Methanol as an Alternative Clean Fuel:

- Methanol is increasingly relevant to India's **energy-transition strategy** because it can serve as an alternative fuel and chemical feedstock.
- It has potential applications in **shipping, heavy transport, industrial processes and chemical manufacturing**, particularly when produced using low-carbon pathways.
- The growing importance of methanol creates a policy requirement for regulation that simultaneously addresses **public health risks, industrial quality requirements and decarbonisation objectives**.

Green Methanol Standards:

- In **February 2026**, the **Ministry of New and Renewable Energy** initiated India's framework for **Green Methanol Standards**.
- The framework links the classification of green methanol to its **life-cycle greenhouse-gas emissions and production pathway**, supporting the broader objectives of the **National Green Hydrogen Mission**.
- In 2026, the **Solar Energy Corporation of India** also invited expressions of interest for sourcing **biogenic carbon dioxide** for green methanol and green urea, indicating the growing policy focus on low-carbon methanol production.

Governance Lessons: Regulating Hazardous Chemicals Without Overburdening Industry

Targeted Regulation:

- Regulation of hazardous chemicals should focus on the **actual source of risk**, rather than imposing uniform restrictions that substantially affect legitimate users without addressing illegal diversion.
- Effective regulation can combine **licensing, digital tracking, secure transportation, storage controls, inventory reconciliation, inspections and strict enforcement against diversion**.
- Public-health regulation must therefore distinguish between **legitimate industrial use and unlawful conversion or diversion**.

Constitutional Accountability of Subordinate Legislation:

- The judgment reinforces that executive authorities exercising delegated legislative power cannot create restrictions that **exceed constitutional limits**.
- A subordinate rule can be invalidated when it is **manifestly arbitrary, disproportionate, inconsistent with the parent statute or violative of fundamental rights**.
- The case demonstrates that even regulations pursuing a legitimate public-health objective must satisfy the constitutional requirements of **rationality, necessity and proportionality**.

Value Addition for UPSC:

- **GS-II:** Fundamental Rights, Article 14, Article 19(1)(g), reasonable restrictions, judicial review, delegated legislation, federal distribution of legislative powers and constitutional interpretation.
- **GS-III:** Chemical safety, industrial regulation, public health, hazardous substances, illicit liquor, energy transition and green fuels.
- **GS-IV:** Proportionality, public interest, regulatory ethics, balancing competing interests and responsible exercise of State power.
- **Prelims Fact:** The Supreme Court struck down **Rules 18A and 18B** of the Maharashtra Poisons Rules, 1972, in its **18 September 2026** judgment.
- **Prelims Fact:** Rule 18A(2) required **1 gram of methylene carmine and 4 grams of denatonium saccharide per 100 litres of methanol** before sale to non-drug manufacturers.
- **Prelims Fact:** **Lalta Prasad Vaish, 2024** was decided by a **9-judge Constitution Bench by an 8:1 majority** and overruled the relevant position in Synthetics and Chemicals concerning State regulation of industrial alcohol.

- **Mains Link:** The judgment can be used to explain that **a legitimate State objective does not automatically validate every regulatory measure adopted to achieve it**; the means must satisfy the constitutional requirements of suitability, necessity and proportionality.
- **Core Concept:** The case demonstrates the distinction between **regulatory legitimacy and regulatory constitutionality**: the State may regulate a hazardous substance to protect public health, but the chosen regulatory mechanism must remain rational, effective and proportionate to the burden imposed on fundamental rights.