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THE CORPORATE VEIL AND ENVIRONMENTAL HOMICIDE: PIERCING THE SHIELD OF CORPORATE IMPUNITY IN ENVIRONMENTAL DISASTERS

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I. ABSTRACT

The doctrine of corporate personality, firmly established by the House of Lords in Salomon v A. Salomon & Co. Ltd. (1897), grants companies an independent legal existence distinct from their shareholders and directors. This corporate veil serves as a fundamental pillar of modern corporate law, encouraging entrepreneurship and investment by limiting personal liability. However, when the shield of separate legal personality is exploited to evade accountability for environmental destruction causing mass casualties, the doctrine confronts an existential moral and legal crisis. This research paper critically examines the intersection of the corporate veil doctrine and environmental homicide, defined as corporate conduct resulting in large-scale environmental disasters that cause death, grave injury, and ecological devastation. Drawing upon landmark Indian and international jurisprudence including the Bhopal Gas Tragedy, the Shriram Oleum Gas Leak, the Vizag LG Polymers disaster, and the Sterlite Copper plant controversy, this paper interrogates the adequacy of existing statutory and judicial frameworks in piercing the corporate veil to hold parent companies, directors, and key managerial personnel criminally and civilly liable. The paper concludes with actionable recommendations for legislative reform, including the codification of environmental homicide as a distinct corporate offence, mandatory environmental liability insurance, and the strengthening of parent-subsidiary accountability mechanisms.

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II. KEYWORDS

Corporate Veil; Environmental Homicide; Absolute Liability; Polluter Pays Principle; Parent Company Liability.

III. INTRODUCTION

The corporate veil is among the most foundational doctrines in company law. The principle is based on the House of Lords ruling of 1897 *Salomon v A. Salomon and Co. Ltd.*³ which grants a separate legal personality to a company other than its members. The same has been strengthened by section 2(20) of the Companies Act, 2013 which states that a company is any entity which has been incorporated under the act or under any former company act. This veil of incorporation allows shareholders and directors to run businesses without subjecting their personal assets to the liabilities and debts of the company, thus making it easy to raise capital and grow economies.

This veil of protection however has a very disturbing aspect when it is used to protect corporations and their ruling minds against the consequences of environmental catastrophes that result in mass murder and environmental devastation. Environmental homicide is a term used to describe corporate behaviour, through negligence, recklessness or wilful non-observance of environmental laws, which leads to disastrous environmental incidents resulting in human loss of life, massive disease and irreparable destruction of life-sustaining systems. In contrast to traditional homicide, environmental homicide is said to be diffused, manifested over time, and characterized by complex corporate structures concealing personal responsibility.⁴

Experience of the environmental disasters that have corporate roots in India offers a sharp example of this issue. The Bhopal Gas Tragedy of 1984, the Shriram Oleum Gas Leak of

³ [1897] AC 22.

⁴ Gayathri Gireesh, Pradnesh Kamat and Viraj Thakur, "Examining the Doctrine of Veil-Piercing vis-à-vis Environmental Parent Company Liability in India" CEERA Publication, NLSIU (2024).

1985, the Vizag LG Polymers styrene leak of 2020⁵, and the long-lasting pollution caused by the Sterlite Copper smelter at Thoothukudi all have one thing in common: the doctrine of separate legal personality helped facilitate corporate impunity at least partially. The parent companies form subsidiaries to carry out risky operations and in the event of a calamity, the corporate veil usually serves to omit regulatory and judicial authorities to the individuals and entities who provided the real control over the hazardous operations. The research issue, as such, arises out of the inherent conflict between the protective role of the corporate veil and the need of environmental justice. Although the statutory framework of India, under the Environment Protection Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981, does have what can be regarded as the provision of lifting the corporate veil piercing by making directors and officers personally liable to commit a corporate environmental offence, the enforcement. The most embarrassing example of this enforcement gap is the Bhopal Gas Tragedy in which Union Carbide Corporation and its mother company Dow Chemicals escaped criminal responsibility to a large extent despite the fact that they caused deaths to thousands of people.⁶

A. Research Objectives

The following are the objectives that will direct the present study:

1. To examine the legal principles behind the corporate veil and how it is handled in a court of law following a case of environmental disaster in India and other similar jurisdictions.
2. To explore how the frameworks of liability have evolved, especially how the concept of strict liability has developed into the concept of absolute liability

⁵ *In Re: Gas Leak at LG Polymers Chemical Plant in RR Venkatapuram Village, Visakhapatnam*, O.A. No. 73/2020 (NGT, 2020).

⁶ Snehal Silvera, "When Liability Falls, the Veil Prevails: Environmental Offences and the Corporate Veil" *Indian Journal of Law and Legal Research* (2025).

and vice versa and its effect on making corporations responsible of committing environmental homicide.

3. To determine whether statutory provisions are adequate in the Companies Act, 2013, the Environment Protection Act, 1986 and the National Green Tribunal Act, 2010 in the piercing of the corporate veil in environmental disaster cases.
4. To evaluate the position of the judiciary and specialised tribunals and especially the National Green Tribunal in holding corporate entities accountable to the environment.
5. To suggest legislative and institutional changes capable of enhancing the system of corporate environmental responsibility in India.

B. Research Questions

The study seeks to answer the following questions:

1. To what extent does the doctrine of the corporate veil impede the imposition of criminal and civil liability on parent companies and their directors for environmental disasters causing mass casualties?
2. Has the judicial evolution from strict liability to absolute liability in Indian environmental jurisprudence been sufficient to ensure corporate accountability for environmental homicide?
3. What lessons can India draw from international developments, particularly the UK Supreme Court's approach to parent company liability in environmental damage cases?

C. Research Hypotheses

1. The existing Indian legal framework, while progressive in principle, suffers from significant enforcement deficits that allow the corporate veil to function as a barrier to accountability in cases of environmental homicide.

2. The judicial doctrine of absolute liability, as articulated in *M.C. Mehta v Union of India* (1987), has not been consistently applied by subsequent courts and tribunals, thereby weakening its deterrent effect.
3. Codification of environmental homicide as a distinct corporate offence, coupled with mandatory parent company liability, would significantly enhance environmental accountability.

D. Research Methodology

The research is based on the doctrinal and analytical methodology. It is based on primary sources such as statutes, judicial rulings, tribunal orders of Indian courts, the National Green Tribunal and international courts especially the United Kingdom. Secondary sources such as academic articles in peer-reviewed law journals, institutional reports, and commentaries by established online legal databases, such as SCC online, Indian Kanoon, LiveLaw, and Manupatra have been referred. The case law analysis period is limited to 2015-2025 and past cases like the Bhopal Gas Tragedy and the Oleum Gas Leaks are also considered based on their contextual importance. Again, the comparative approach is used to elicit informative insights of UK jurisprudence on liability of parent companies. The research fails to use empirical research.

E. Literature Review

The nexus between corporate law and the subject of environmental liability has spawned a great deal of academic interest. The principle regarding separate legal personality, laid down in the case of *Salomon v A. Salomon and Co. Ltd.* (1897) has been widely criticised in relation to the area of corporate environmental responsibility. It has been suggested by scholars that the strict Salomon principle is applied when deciding instances of environmental disasters giving corporate formalism more precedence than substantive justice and ecological integrity.

The decision of the Supreme Court in *M.C. Mehta v Union of India* (1987)⁷ in India marked a shift in paradigm by reversing the doctrine of strict liability of *Rylands v Fletcher* rule to an absolute liability of the business corporations dealing with dangerous activities. This rule, which does away with all protections it could have under strict liability, weighs compensation proportionate to the size and capacity of the business (the so-called deep pockets principle) has been celebrated as a breaking of the new. Nevertheless, researchers such as Upadhyay and Divan have observed that the principle has not been consistently applied especially by the National Green Tribunal, which in the *Vizag Gas Leak* case exploited strict instead of absolute liability in the first place.

There are numerous publications on the Bhopal Gas Tragedy, and the legal outcome is overwhelmingly criticized. This has been described as symbolic of the inability of the Indian legal system to bring to book multinational parent companies when it settled the case in 1989 in the amount of \$470 million and the curative petition was dismissed in 2023 by the Supreme Court. The organizational structure of Union Carbide, in which the Indian subsidiary (UCIL) was operating the deadly plant, but the American parent company (UCC) made critical decisions, is a prime example of the corporate veil and insulating the real-life decision-makers.

In comparison, decisions of the UK Supreme Court in “*Vedanta Resources Plc v Lungowe* (2019)⁸ and *Okpabi v Royal Dutch Shell Plc* (2021)⁹ have been widely covered as a major extension of the liability of parent companies over the foreign subsidiary-commitment of environmental harm. Such determinations provide that in situations where a parent firm has a high level of control on the operation of a subsidiary or has a liability to environmental compliance by virtue that there are group-wide policies, a duty of care may follow. Indian scholars have contended that the lessons to be found in these developments are critical in renegotiating the Indian framework.

⁷ (1987) 1 SCC 395.

⁸ [2019] UKSC 20.

⁹ [2021] UKSC 3.

The National Green Tribunal Act, 2010 is also scholarly actively discussed. Section 20 of the Act mandates the Tribunal to apply the principles of sustainable development, the precautionary principle, and the polluter pays principle while passing any order or decision and the tribunal in some cases of environmental disasters has exercised sua motu jurisdiction. But questions remain about how consistent the approach of the tribunal has been, and whether its enforcement powers are sufficient.

IV. RESEARCH AND ANALYSIS

A. The Bhopal Gas Tragedy: Corporate Veil as a Shield for Environmental Homicide

Bhopal Gas Tragedy is the worst industrial tragedy in the world. The incident occurred on 2-3 December 1984 when about 42 tonnes of the gas methyl isocyanate (MIC), which was used as a pesticide, leaked out of the pesticide plant owned by Union Carbide India Limited (UCIL), a subsidiary of the American multinational Union Carbide Corporation (UCC). The most estimated number of deaths at the time was around 3,828 people but according to the independent estimate, over 15,000 people died and more than 600,000 were exposed to the toxic gas. Bhopal Gas Leak Disaster (Processing of Claims) Act, 1985 enacted by the Indian Government granted it the exclusive right to champion all its victims. In *Union Carbide Corporation v Union of India*, in February 1989, the Supreme Court helped to settle a case of compensation between UCC and Government of India worth 470million.¹⁰

The veil of incorporation was a barrier to accountability in this scenario. UCC contended that it had nothing to do with day-to-day activities of the Bhopal plant, which was under the control of UCIL, another Indian incorporated legal entity. The fact that there is evidence that UCC dominated key safety-related choices, such as the plant design and a choice to minimize safety personnel meant that the corporate structure shielded the company executives against personal criminal responsibility. In 2010 a Chief Judicial

¹⁰ *Union Carbide Corporation v Union of India*, (1989) 3 SCC 38.

Magistrate in Bhopal convicted seven former UCIL officials under Section 304A of the Indian Penal Code (causing death by negligence) but gave light-time sentences (later suspended on appeal). The indictment was set out in the first place on a charge of 304 Part II (culpable homicide not amounting to murder), which was later watered down.

Notably, in 2023 the Supreme Court rejected the curative petition brought by the Government of India to receive another compensation on top of the one the UCC (as then Dow Chemicals) paid out in the case *Union of India v Union Carbide Corporation*. Five-judge Constitution Bench, headed by Justice S.K. Kaul, decided that the curative petition could only prevail on the basis of fraud or concealment of material facts and the Government had not alleged fraud. The Court observed that a government being a welfare state was liable to any lapses in the compensation. That ruling was a death sentence to further accountability by UCC, illustrating how the corporate veil, in conjunction with the restrictions placed on procedure, can lead to all but complete impunity even in instances of mass environmental murder.

B. The Shriram Oleum Gas Leak and the Doctrine of Absolute Liability

The spillage of the oleum gas in the Shriram Food and Fertilizers Industries complex in Delhi on 4th and 6th December 1985 happened only a year after the Bhopal disaster and spearheaded a paradigm shift in Indian environmental law. When *M.C. Mehta v Union of India* (1987) was deciding on the subject Justice P.N Bhagwati faced the issue of the question of the liability of the enterprises that were involved in a hazardous or naturally dangerous event. The Court has rejected the restriction of *Rylands v Fletcher* strict liability rule and has instead developed the doctrine of absolute liability. The Court determined that when an enterprise is involved in hazardous or inherently dangerous activity it is strictly and absolutely liable to pay damages to all the victims of any accident in the running of the hazardous activity and that the liability is not limited by the exceptions that apply at the strict liability principle.¹¹

¹¹ Snehal Silvera, "When Liability Falls, the Veil Prevails: Environmental Offences and the Corporate Veil", *Indian Journal of Law and Legal Research* (2025), available at: <https://www.ijlr.com/post/when->

More importantly, the Court came up with the concept of deep pockets, providing that the size of compensation has to be aligned proportional to the size and capacity of the enterprise to create a deterrent effect. The Shriram complex was an ancillary to a bonafide corporation in Delhi Cloth Mills Limited and the readiness of the Court to expose in substance, but not in terms, the corporate veil by holding the enterprise fully liable was indeed a substantial piercing of the corporate veil. The Chairman and Managing Director had to provide personal undertakings, which took the future accidents responsibility, and connected individual corporate officers to the environmental liabilities of the company directly.

The case of Shriram was also one to broaden the meaning of Article 21 of the Constitution of India; that the right to life encompasses the right to live in a healthy and clean environment. This constitutional aspect offered another justification to go overboard and place on a collision course with the defenses of the corporate veil in environmental litigation. The principles formulated in this case formed the basis of environment protection act, 1986 and public liability insurance act, 1991.¹²

C. The Vizag Gas Leak (2020): Testing Absolute Liability in the NGT Era

LG Polymers India Pvt. Ltd. caused a significant leak of styrene gas through its plant at R.R. Venkatapuram village, in the state of Visakhapatnam, Andhra Pradesh on 7 May 2020. At least 11-13 individuals were killed in the leak, more than 285 were hospitalised, and over 1,000 residents were affected. The next day, the National Green Tribunal assumed the process of suing motu about the incident and ordered LG Polymers to pay an amount of Rs. first. 50 crores to the District Magistrate, Visakhapatnam. The NGT was also created to enquire into the incident.

[liability-falls-the-veil-prevails-environmental-offences-and-the-corporate-veil](#) (last visited on Apr. 23, 2026).

¹² "Piercing the Corporate Veil in Environmental Harm: Rethinking Corporate Social Responsibility", *Indian Journal of Law and Legal Research* (Mar. 8, 2026), available at: <https://www.ijllr.com/post/piersing-the-corporate-veil-in-environmental-harm-rethinking-corporate-social-responsibility> (last visited on Apr. 23, 2026).

The investigation found that over 20 years LG Polymers had been plying its trade without a legitimate Environmental Clearance (EC) and by 2018 it had increased five times without prior consent the size of its operations. The tanks used to store the styrene were old and did not contain temperature sensors, so the vapour of the styrene could evaporate without detection. It was established by the NGT bench, led by Chairperson Justice Adarsh Kumar Goel that the liability of LG Polymers was strict and absolute as per the law and that burden of proving lack of liability was on the company. The Rs. The deposits amounting to 50 crores was first allocated to part liability and interim compensation.¹³

Nonetheless, the first instance of the NGT, evocation of the terminology of the strict liability in place of the absolute liability in the Supreme Court in *M.C. Mehta v Union of India* had the drawback of being attacked by the scholars. Compared to strict liability under *Ryanls v Fletcher* rule, where one can claim exceptions like act of God, vis major and interference by a third-party, absolute liability does not have any exceptions prone to a defence. This lexical anomaly left people with questions of whether the NGT was watering down the standard of higher liability given by the Supreme Court. The next order redressed the situation by asserting absolute liability, but the original Neutrality revealed the difficulty in uniform application of the principle of environmental liability.

The Vizag episode also highlighted the ineffectiveness of the regulatory machine. Although the company was required to have the mandated Environmental Clearance by the Environmental Impact Assessment (EIA) Notification of 2006, the company had been granted the Consent to Establish and Consent to operate by the Andhra Pradesh Pollution Control Board. The Regulations of Manufacture, Storage and Import of Hazardous Chemical were not followed appropriately which were the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989. This regulatory lapse highlighted the

¹³ "Re-Evaluating the Corporate Veil in Environmental Catastrophes", *LHSS Collective Law Review* (May 18, 2025), available at: <https://lhsscollective.in/re-evaluating-the-corporate-veil-in-environmental-catastrophes/> (last visited on Apr. 23, 2026).

functioning of corporate veil coupled with lax implementation in providing a business climate conducive to environmental homicide.

D. Sterlite Copper and Vedanta: Parent-Subsidiary Dynamics in Environmental Pollution

Vedanta Limited (previously known as Sterlite Industries), a company based in Tamil Nadu, India, which manages a Sterlite Copper smelter factory at Thoothukudi, is an example of how the issues of corporate activity, and corporate responsibility conflicted over an extended period. Since its debut in 1997, the plant continued to flout pollution standards and work without any justifiable permission. In 23 March 2013, there was a large gas leak, and this resulted in widespread illness among the people of “Thoothukudi prompting the Tamil Nadu Pollution Control Board” (TNPCB) to direct the plant to be closed down. The Supreme Court fined the company Rs. in 2013. Sterlite 100 crores of polluting the environment.

In May 2018, 14 individuals were shot dead by the police after 140,000 people took to the streets to protest against the plans conducted by the company to expand, and once again demand its closure due to allegations of environmental violations. The Tamil Nadu Government gave permanent closure order of the Sterlite plant. In December 2018, the NGT rescinded this closure order and ruled it to be politically connected. But in *Tamil Nadu Pollution Control Board v Sterlite Industries (India) Ltd. (2019)*,¹⁴ the Supreme Court vacated the orders of the NGT on the challenge of jurisdiction and argued that the NGT could not directly hear appeals to the original decisions of TNPCB.

Madras High Court in its historic order of August 2020 had supported the shutdown orders and had flagged widespread fraud, environmental abuse, and wrongdoing in its operations. The court proclaimed that economically, the environment should be the paramount when the economic environment is challenged with the environment. The Supreme Court denied interim relief to Vedanta to restart the plant in December 2020 and

¹⁴ Civil Appeal Nos. 4763-4764/2013 (SC, 2019).

denied recalling this order in January 2021. The Sterlite case is especially notable since the UK-incorporated Vedanta Resources operates using a complex web of subsidiaries thus making it a case study referencing how parent companies can offload the environmental liability of their subsidiaries.

E. The Bichhri Village Case: Polluter Pays and the Rogue Industries

Indian Council for Enviro-Legal Action, Union of India (1996) spoken of the acute environmental pollution by chemical industries in Bichhri Village, Udaipur, Rajasthan. H-acid and other highly toxic chemicals like Hindustan Agro Chemicals Limited were produced without due permission by several chemical plants that had these chemicals, resulting in the dumping of the untreated toxic sludge into the surrounding environment. The pollution also affected the soil, the groundwater and the water bodies making the land unproductive and leading to severe health issues among the locals.

The Supreme Court not only implemented the absolute liability concept as was laid down in *M.C. Mehta v Union of India* but also brought to the Indian environmental law the concept of the polluter pays. The Court not only ordered closing down all the polluting plants, but the Ministry of Environment and Forests was instructed to estimate the expense of remedying the situation and the industries had to be fully liable in environmental restoration. The industries were named as rogue industries as they continued to violate and defy court orders. In the later enforcement proceedings in 2011 the Court fined it a fine of Rs. Remediation of 37.385 crores with compound interest against the industries criticising the industries which knowingly allowed fifteen years to violate the rules by filing insignificant interlocutory applications.

The Bichhri case is important to the extent it has created a precedent whereby the polluter should meet the total costs of the remediation process, including the long-term repair of the environment and the costs should not be transferred to taxpayers or the government

purse. This was alluded to in many later cases as seen in Vellore Citizens Welfare forum v Union of India (1996)¹⁵ and M.C. Mehta v Kamal Nath (1997).¹⁶

V. INTERNATIONAL DEVELOPMENTS

A watershed in the parent company environmental liability jurisprudence was established by the unanimous decision of the UK Supreme Court in Vedanta Resources Plc v Lungowe (2019). A party of 1,826 Zambian farmers filed suit against Vedanta, a UK-incorporated supplier, and its subsidiary in Zambia, the Nchanga Copper Mine Konkola Copper Mines (KCM), in the English Courts claiming they had suffered personal injury, property loss and lost livelihood as a result of toxic, and in fact, poisonous, discharges flowing out of the mine. The Supreme Court decided that an arguable case existed that Vedanta owed a duty of care to the claimants, which arose out of a series of sustainability reports and management service contracts Vedanta had issued, and that it had claimed it was in control of the environmental compliance of its subsidiaries. The case settled, on undisclosed terms, in January 2021.¹⁷

The foundation of Vedanta was also applied in the case of Okpabi v Royal Dutch Shell Plc (2021), in which it is argued by the communities in Nigeria that due to oil spills by pipeline run by Shell, its Nigerian branch (SPDC), there had been extensive harm to the environment. The UK Supreme Court unanimously left the claim to continue, by finding the existence of an arguable duty of care based on Shell exercising extensive control over the activities of its subsidiary and promulgating and enforcing mandatory health, safety and environmental policies on its subsidiary. The rulings made during these cases affirm that parent companies cannot publicly commit themselves to environmental governance and at the same time denounce responsibility of environmental destruction caused by the activities of their subsidiaries.

¹⁵ (1996) 5 SCC 647.

¹⁶ (1997) 1 SCC 388.

¹⁷ "Corporate Liability and Environmental Accountability of Industrial Units", *International Journal of Creative Research Thoughts*, Vol. 11 (2023), available at: <https://www.ijcrt.org/papers/IJCRT2504510.pdf> (last visited on Apr. 23, 2026).

The most notable lessons which can be compared with the proposal are the Deepwater Horizon oil spill of 2010 that was an irreversible explosion of an oil well owned by BP in the Gulf of Mexico. BP Plc ended up paying more than 65 billion in clean-up expenses, fines, and compensation, even though the contractors and the subsidiary entities were involved. The courts of the US lifted the veil of incorporation to directly implicate the parent company in the case using statutory environmental liability and common law approaches.

VI. CORPORATE ENVIRONMENTAL ACCOUNTABILITY STATUTORY FRAMEWORK IN INDIA

The statutory system of India has a variety of provisions which allows the corporate veil to be pierced in an environmental dispute. Section 15 of the Environment Protection Act, 1986 also sets out penalties for offence of contravention of the provisions of the Act, and a precursor in Section 16, which provides the extended liability to all persons who, at the time of offence, had under their charge, and were responsible to said company in respect, of the conduct of business of the company. Section 47 of the Water Act, Section 40 of the Air Act, have exactly the same provisions and they provide statutory deemed liability to corporate officers. This statutory piercing of veil was upheld by the Supreme Court in *C. Chinnappa Goudar v Karnataka State Pollution Control Board* (2015).¹⁸

Corporate environmental accountability is also made available through the Companies Act, 2013. Section 135 requires Corporate Social Responsibility expenditure of qualified companies and Section 166(2) requires the directors to exercise fairness in serving the purposes of the company in the best interest of its members, community and protection of the environment. Section 2(51) of the Act has what is known as the concept of Key Managerial Personnel; such a section offers objectives on how to know the persons in the corporate structure that can be personally liable.¹⁹

¹⁸ (2015) 13 SCC 608.

¹⁹ Divan, Shyam, "Environmental Law and Policy in India: Cases, Materials and Statutes" (Oxford University Press, 3rd ed., 2022).

A National green tribunal Act, 2010 introduced a specialised environment tribunal which had a jurisdiction in cases arising out of environmental legislation implementation. Section 15 of the NGT Act addresses compensation to victims of environmental harms and Section 20 addresses the necessity for the Tribunal to apply the principles of sustainable development, precautionary principle, and polluter pays principle. The introprate power of the NGT has been eminent especially as portrayed in the Visagas Gas leak case. The Supreme Court gave timelines required to establish effluent treatment plants as mandated in *Paryavaran Suraksha Samiti v Union of India* (2017), and the Member Secretaries of the State Pollution Control Boards were held personally accountable.

A. Delhi Airport Metro Express and the Expansion of Veil-Piercing Grounds

The Delhi High Court's decision in *Delhi Airport Metro Express Pvt. Ltd. v Delhi Metro Rail Corporation Ltd.* (2023)²⁰ expanded the grounds for piercing the corporate veil in Indian law by holding that the veil may be pierced not only in cases of fraud or illegality but also on grounds of equity and to meet the ends of justice. While not strictly an environmental case, this decision has significant implications for environmental litigation, as it provides courts with a broader jurisdictional basis for looking behind corporate structures to identify the real parties responsible for environmental harm.²¹

VII. SUGGESTIONS AND RECOMMENDATIONS

Based on the foregoing analysis, the following recommendations are proposed:

- 1. Codification of Environmental Homicide:** India should introduce 'environmental homicide' as a distinct criminal offence in the *Bharatiya Nyaya Sanhita, 2023*, applicable to corporations and their officers where corporate environmental violations result in death. This offence should carry stringent penalties, including

²⁰ *Delhi Airport Metro Express Pvt. Ltd. v Delhi Metro Rail Corporation Ltd.*, 2023/DHC/1902 (Delhi High Court, 17 March 2023).

²¹ Gireesh, Gayathri, Kamat, Pradnesh & Thakur, Viraj, "Examining the Doctrine of Veil-Piercing vis-à-vis Environmental Parent Company Liability in India", CEERA, NLSIU (2024).

mandatory imprisonment for responsible officers and substantial fines calibrated to the revenue and net worth of the enterprise, consistent with the 'deep pockets' principle.

2. **Statutory Parent Company Liability:** The Companies Act, 2013 should be amended to introduce a specific provision imposing positive duties on parent companies regarding the environmental compliance of their subsidiaries. Drawing from the UK jurisprudence in *Vedanta v Lungowe*²² and *Okpabi v Shell*,²³ the amendment should provide that where a parent company exercises significant control over a subsidiary's operations, or makes public representations regarding environmental governance, it shall be jointly and severally liable for environmental harm caused by the subsidiary.
3. **Mandatory Environmental Liability Insurance:** While the Public Liability Insurance Act, 1991 mandates insurance for industries handling hazardous substances, its coverage and quantum are inadequate. The insurance framework should be overhauled to require comprehensive environmental liability insurance for all enterprises engaged in hazardous activities, with coverage sufficient to fund full environmental remediation and victim compensation. The premiums should be risk-adjusted based on the enterprise's environmental compliance history.
4. **Strengthening the NGT:** The National Green Tribunal should be empowered with explicit authority to pierce the corporate veil in environmental cases, including the power to hold parent companies, holding companies, and ultimate beneficial owners liable for environmental damage caused by their subsidiaries or group entities. The NGT's orders should be made directly enforceable as decrees of civil courts.
5. **Continuous Environmental Impact Assessment:** Drawing from the observations of Judge Weeramantry of the International Court of Justice in the *Gabcikovo-*

²² [2019] UKSC 20.

²³ [2021] UKSC 3.

Nagymaros Project case, India should implement a system of continuous Environmental Impact Assessment for all industries engaged in hazardous activities. The current practice of one-time EIA clearance is inadequate, as demonstrated by the Vizag Gas Leak, where the company operated for decades without valid environmental clearance.

6. **Transparent Corporate Environmental Compliance:** The Companies Act should mandate comprehensive environmental compliance disclosures in annual reports, including information on environmental clearances, pollution control measures, effluent treatment, and any violations or penalties. Non-disclosure or false disclosure should attract criminal liability for directors and Key Managerial Personnel.

VIII. CONCLUSION

The corporate veil is absolutely necessary to the operation of contemporary capitalism; however, it should not be allowed to act as a garb to homicide the environment. The examples discussed in this article, the Bhopal Gas Tragedy, the Vizag Gas Leak, the Sterlite Copper controversy, and the Bichhri Village pollution, demonstrate an overall trend: The key people who make the actual choices, i.e., the corporates, are allowed to evade any form of serious responsibility with the help of the corporate veil, weak enforcement, lack of penalties, and procedural delays.

The environmental jurisprudence in India has gone a long way more so through the allowed development of absolute liability, introduced by the Supreme Court in *M.C. Mehta v Union of India* and the introduction of the polluter pays principle in the Bichhri case. The creation of National Green Tribunal has brought a special forum of adjudication of the environment. The rulings of the UK Supreme Court in *Vedanta v Lungowe*²⁴ and *Okpabi v Shell*²⁵ provide key rests internationally on the liability of the parent company.

²⁴ [2019] UKSC 20.

²⁵ [2021] UKSC 3.

Nonetheless, there is still a wide disparity between progressive judicial ideals and proper enforcement.

The hypotheses of the research are mostly confirmed. There are large gaps in enforcement in the Indian legal system, absolute liability has not been uniformly applied and the codification of environmental homicide as a separate crime would be an addition to accountability. Reform is very much needed. With the ever-growing industrial economy in India, there is the risk of having environmental disasters. The existence of a legal framework which permits the corporate veil to hide the culprits of environment murder is not just unjust but not sustainable. Piercing of the corporate veil should not be done randomly; but on a systematic, transparent and following well stipulated rules which should place human life and ecological integrity above corporate convenience.

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