

# CLAT PG 2026 Set C Question Paper with Solutions

Time Allowed :2 Hours	Maximum Marks :120	Total Questions :120
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## General Instructions

Read the following instructions very carefully and strictly follow them:

1. The CLAT 2026 examination is of two hours duration and carries a maximum of 120 marks.
2. The question paper consists of **120 multiple-choice questions** with four options for each question.
3. Each correct answer will be awarded **one mark**.
4. There is a **negative marking** of  $\frac{1}{4}$  **mark** for each incorrect answer.
5. Candidates must use only a **Black/Blue Ball Point Pen** to darken the correct option in the OMR Answer Sheet.
6. Do not use ink pen, gel pen, pencil, whitener, or any other material on the OMR Sheet.
7. Rough work should be done only in the space provided in the test booklet.
8. The use of any electronic gadgets such as mobile phones, calculators, or digital watches is strictly prohibited.
9. The test booklet must not be torn or damaged in any way.
10. The candidate must write their **Name, Roll Number, and OMR Sheet Number** in the spaces provided and sign where required.

## I.

The Companies Act, 2013 does not deal with insolvency and bankruptcy when the companies are unable to pay their debts or the aspects relating to the revival and rehabilitation of the companies and their winding up if revival and rehabilitation is not possible. In principle, it cannot be doubted that the cases of revival or winding up of the company on the ground of insolvency and inability to pay debts are different from cases where companies are wound up under Section 271 of the Companies Act 2013. The two situations are not identical. Under Section 271 of the Companies Act, 2013, even a running and financially sound company can also be wound up for the reasons in clauses (a) to (e). The reasons and grounds for winding up under Section 271 of the Companies Act, 2013 are vastly different from the reasons and grounds for the revival and rehabilitation scheme as envisaged under the IBC. The two enactments deal with two distinct situations and in our opinion, they cannot be equated when we examine whether there is discrimination or violation of Article 14 of the Constitution of India. For the revival and rehabilitation of the companies, certain sacrifices are required from all quarters, including the workmen. In case of insolvent companies, for the sake of survival and regeneration, everyone, including the secured creditors and the Central and State Government,

are required to make sacrifices. The workmen also have a stake and benefit from the revival of the company, and therefore unless it is found that the sacrifices envisaged for the workmen, which certainly form a separate class, are onerous and burdensome so as to be manifestly unjust and arbitrary, we will not set aside the legislation, solely on the ground that some or marginal sacrifice is to be made by the workers. We would also reject the argument that to find out whether there was a violation of Article 14 of the Constitution of India or whether the right to life under Article 21 Constitution of India was infringed, we must word by word examine the waterfall mechanism envisaged under the Companies Act, 2013, where the company is wound up in terms of grounds (a) to (e) of Section 271 of the Companies Act, 2013; and the rights of the workmen when the insolvent company is sought to be revived, rehabilitated or wound up under the Code. The grounds and situations in the context of the objective and purpose of the two enactments are entirely different.

[Extracted with edits and revision from Moser Baer Karamchari Union v. Union of India, 2023 SCC Online SC 547]

1. In which of the following cases, it was held by the Supreme Court that although a company is a separate legal entity distinct from that of its members, the corporate veil may be lifted and the corporate personality may be ignored?

- (1) Life Insurance Corporation of India v. Escorts Ltd. (1986) 59 Comp Case 548
- (2) R. K. Dalmia vs Delhi Administration, AIR 1962 SC 1821
- (3) Dale And Carrington Invt. P. Ltd. v. P.K. Prathapan AIR 2005 SC 1624
- (4) Rohtas Industries Ltd v. S.D. Agarwal, AIR 1969 SC 707

**Correct Answer:** (2) R. K. Dalmia vs Delhi Administration, AIR 1962 SC 1821

**Solution:**

In the case of R. K. Dalmia vs Delhi Administration, AIR 1962 SC 1821, the Supreme Court held that although a company is a separate legal entity distinct from its members, the corporate veil may be lifted and the corporate personality may be ignored in certain circumstances. Thus, option (2) is correct.

**Quick Tip**

The corporate veil can be lifted when necessary to prevent misuse of the separate legal entity doctrine, as seen in R. K. Dalmia's case.

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2. The extent to which a Corporation as a legal person can be held criminally liable for its acts and omissions and for those of the natural persons employed by it is called?

- (1) Corporate manslaughter
- (2) Lifting the corporate veil
- (3) Corporate criminal liability
- (4) Corporate social responsibility

**Correct Answer:** (3) Corporate criminal liability

**Solution:**

Corporate criminal liability refers to the extent to which a corporation can be held criminally liable for its own acts and omissions, as well as for the acts and omissions of its employees. Therefore, option (3) is correct.

**Quick Tip**

Corporate criminal liability holds companies accountable for criminal acts committed by the company or its employees.

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**3.** In which of the following cases, the constitutionality of the Insolvency and Bankruptcy Code, 2016 was upheld by the Supreme Court?

- (1) RPS Infrastructure Ltd. v. Union of India, 2023 INSC 816
- (2) Paschimanchal Vidyut Vitran Nigam Ltd. v. Union of India, AIR 1971 SC 862
- (3) Union Bank of India v. Financial Creditors of M/s Amtek Auto Limited, (2023) IBC Law.in 85 SC.
- (4) Swiss Ribbons v. Union of India, (2019) SCC Online SC 73.

**Correct Answer:** (4) Swiss Ribbons v. Union of India, (2019) SCC Online SC 73.

**Solution:**

In the case of Swiss Ribbons v. Union of India, (2019) SCC Online SC 73, the Supreme Court upheld the constitutionality of the Insolvency and Bankruptcy Code, 2016, affirming its legal framework and provisions. Thus, option (4) is correct.

**Quick Tip**

The constitutionality of the Insolvency and Bankruptcy Code, 2016 was upheld by the Supreme Court in the Swiss Ribbons case.

4. A director other than a managing director or a whole-time director or a nominee director who does not have any material or pecuniary relationship with the company/ directors other than the remuneration is called

- (1) Founding Director
- (2) Promoter Director
- (3) Independent Director
- (4) Associate Director

**Correct Answer:** (3) Independent Director

**Solution:**

An Independent Director is a director who does not have any material or pecuniary relationship with the company or its directors other than the remuneration. Therefore, option (3) is correct.

**Quick Tip**

Independent Directors are crucial for ensuring that the company's governance remains impartial and free from conflicts of interest.

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5. Which among the following is not a duty of a Director of the company?

- (1) To file return of allotments
- (2) To disclose interest
- (3) Duty to call upon the shareholders to attend the Board meetings
- (4) To convene General meeting

**Correct Answer:** (3) Duty to call upon the shareholders to attend the Board meetings

**Solution:**

The duty to call upon the shareholders to attend the Board meetings is not a specific duty of a director. This duty usually falls to the company secretary or another officer of the company. Therefore, option (3) is correct.

**Quick Tip**

While directors have various responsibilities, calling shareholders to attend board meetings is typically not one of their duties.

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## II.

In his heroic efforts, my learned brother Krishna Iyer, if I may say so with great respect, has not discarded the tests of industry formulated in the past. Indeed, he has actually resorted the tests laid down by this Court in D. N. Banerji's case and, after that, in the Corporation of the City of Nagpur v. Its Employees, and State of Bombay v. The Hospital Mazdoor Sabha to their pristine glory.

My learned brother has, however, rejected what may appear, to use the word employed recently by an American Jurist, "excessences" of subjective notions of judges which may have blurred those tests. The temptation is great, in such cases, for us to give expression of what may be purely subjective personal predilections. It has, however, to be resisted if law is to possess a direction in Conformity with Constitutional objectives and criteria which must impart that reasonable state of predictability and certainty to interpretations of the Constitution as well as to the laws made under it which citizens should expect. We have, so to speak, to chart what may appear to be a Sea in which the ship of law like Noah's ark may have to be navigated. Indeed, Lord Sankey on one occasion, said that law itself is like the ark to which people look for some certainty and security amidst the shifting sands of political life and vicissitudes of times. The Constitution and the directive principles of State policy, read with the basic fundamental rights, provide us with a compass.

[Extracted with edits and revisions from Indra Sarma v. V.K.V. Sarma, 2013) 15 SCC 755]

**6.** According to the Supreme Court's judgment, what is the most important factor in determining whether an activity constitutes an industry?

- (1) The profit-making motive of the employer
- (2) When there are multiple activities carried on by an establishment, its dominant function has to be considered. If the dominant function is not commercial, benefits of a workman of an industry under Industrial Dispute Act may be given.
- (3) The nature of the activity and the authority of the employer over its employees
- (4) When there are multiple activities carried on by an establishment, all the activities must be considered. Even if one activity is commercial, the employees will not get the benefit of workman of an industry under the Industrial Dispute Act.

**Correct Answer:** (2) When there are multiple activities carried on by an establishment, its dominant function has to be considered. If the dominant function is not commercial, benefits of a workman of an industry under Industrial Dispute Act may be given.

### **Solution:**

The Supreme Court emphasized that when an establishment carries out multiple activities, the dominant function must be considered to determine if it constitutes an industry. If the dominant function is not commercial, then the workers may still be entitled to benefits under the Industrial Disputes Act. Thus, option (2) is correct.

### Quick Tip

The dominant function of an establishment determines whether it qualifies as an industry under the Industrial Disputes Act.

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7. Which of the following best describes the broader impact of the judgment?

- (1) It reduced labour protections for workers
- (2) It extended labour protections to a broader spectrum of workers
- (3) It had no significant impact on labour laws
- (4) It only affected private sector workers

**Correct Answer:** (2) It extended labour protections to a broader spectrum of workers

### Solution:

The judgment expanded the definition of "industry" under the Industrial Disputes Act, thereby extending labour protections to a broader range of workers. This has significantly impacted the coverage of workers within the scope of labour laws. Therefore, option (2) is correct.

### Quick Tip

The Supreme Court's judgment expanded the scope of labour protections to more workers, not just limited to those in traditional industries.

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8. Which of the following best describes the term 'industry' as defined by the Supreme Court in this judgment?

- (1) Any activity involving profit-making
- (2) Any systematic activity organized by cooperation between an employer and employees for producing or distributing goods and services
- (3) Only activities conducted by private enterprises
- (4) Activities limited to manufacturing sectors

**Correct Answer:** (2) Any systematic activity organized by cooperation between an employer and employees for producing or distributing goods and services

### Solution:

The Supreme Court defined "industry" as any systematic activity organized by cooperation

between an employer and employees for producing or distributing goods and services. This definition includes both private and public sector activities. Thus, option (2) is correct.

#### Quick Tip

The term "industry" under the Industrial Disputes Act covers any activity involving cooperation between employers and employees for producing or distributing goods and services.

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**9.** In which of the following landmark judgements, the Supreme Court held that when an association or society of apartment owners employs workers for personal services to its members, those workers do not qualify as workmen under the Act and the association is not an "Industry" under the Industrial Disputes Act?

- (1) Som Vihar Apartment Owners' Housing Maintenance Society Ltd v. Workmen, 2009 SC
- (2) Anand Vihar Apartment Owners' Society Ltd. V. Workmen, 2024 SC
- (3) Kanchanjunga Building Employees Union v. Kanchanjunga Flat Owners' Society & Anr., 2024 SC
- (4) Workmen represented by Secretary v. Reptakos Brett AIR 1992 SC 504

**Correct Answer:** (4) Workmen represented by Secretary v. Reptakos Brett AIR 1992 SC 504

#### Solution:

In the case of Workmen represented by Secretary v. Reptakos Brett AIR 1992 SC 504, the Supreme Court held that when an association or society of apartment owners employs workers for personal services to its members, those workers do not qualify as workmen under the Industrial Disputes Act, and the association is not considered an "Industry." Thus, option (4) is correct.

#### Quick Tip

In cases where workers are employed for personal services to members of an association, the association is not an "Industry" under the Industrial Disputes Act.

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**10.** Under the Industrial Dispute Act, 1947, what is the role of the "Works Committee" and which of the following correctly describes its function?

- (1) The works committee is a body formed by the central government to address wage disputes between employer and employee in public sector industries.

- (2) The works committee is a grievance redressal body constituted by the employer, primarily to promote measures for securing and preserving amity and good relations between the employer and employee.
- (3) The Works Committee is responsible for making binding decisions on industrial disputes related to layoffs, retrenchment and closure of industrial units.
- (4) The Works Committee is responsible for adjudicating major industrial disputes regarding wages, bonus or retrenchment.

**Correct Answer:** (2) The works committee is a grievance redressal body constituted by the employer, primarily to promote measures for securing and preserving amity and good relations between the employer and employee.

**Solution:**

The Works Committee is a body established by the employer to address grievances and promote good relations between the employer and employees. It is not responsible for adjudicating industrial disputes but helps maintain amicable relations. Thus, option (2) is correct.

**Quick Tip**

The Works Committee is focused on fostering good relations between the employer and employees and is not directly involved in adjudicating industrial disputes.

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**III.**

The Act of 1948 defines “manufacturing process” and we clearly find that “washing, cleaning” and the activities carried out by the respondent with a view to its use, delivery or disposal are squarely attracted. The contention of the respondent that dry cleaning does not make any product usable, saleable or worthy of transport, delivery or disposal has only to be stated to be rejected.

“Manufacturing process” has been defined to mean any process for washing or cleaning with a view to its use, sale, transport, delivery or disposal. The linen deposited with the launderer is, after washing and cleaning, delivered to the customer for use. The ingredients of the section are fully satisfied. There is nothing in the Act of 1948, which is repugnant in the subject or context, constraining us to jettison the definition. Hence, we reject the findings of the High Court and hold that the activity carried out which on facts is not disputed is clearly covered by the definition of “manufacturing process” under Section 2(k) which, in turn, would bring the premises in question of the respondent under the definition of “factory” under Section 2(m). If that were so, the complaint lodged against the respondent could not have been quashed.

[Extracted with edits and revision from *The State of Goa v. Namita Tripathi*, 2025 INSC 306]



**11.** According to the Supreme Court's interpretation of Section 2(k)(i) of the Factories Act, 1948, the business of a laundry service involving cleaning and washing of clothes is considered a "manufacturing process" primarily because it involves:

- (1) Producing a new marketable commodity through transformation.
- (2) Washing or cleaning any article or substance with a view to its delivery or use.
- (3) Carrying on a service and not a manufacturing activity.
- (4) Employing more than 50 workers, regardless of the activity.

**Correct Answer:** (2) Washing or cleaning any article or substance with a view to its delivery or use.

**Solution:**

The Supreme Court interpreted Section 2(k)(i) of the Factories Act, 1948, to classify laundry services as a "manufacturing process" because washing or cleaning an article with the intention of delivering it for use is considered part of a manufacturing process. Therefore, option (2) is correct.

**Quick Tip**

The act of washing or cleaning with the view to deliver or use an article can qualify as a manufacturing process under Section 2(k)(i).

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**12.** What rule of statutory interpretation did the Supreme Court explicitly state should be applied to the Factories Act, 1948, because of its nature?

- (1) Rule of Literal Interpretation.
- (2) Doctrine of Stare Decisis.
- (3) Liberal and Beneficial Construction.
- (4) Rule of Eiusdem Generis.

**Correct Answer:** (3) Liberal and Beneficial Construction.

**Solution:**

The Supreme Court emphasized the application of the "Liberal and Beneficial Construction" rule while interpreting the Factories Act, 1948, as it aims to protect the interests of workers and promote welfare. Therefore, option (3) is correct.

### Quick Tip

The Factories Act, 1948 should be interpreted liberally and beneficially, especially when it involves worker welfare.

**13.** The Supreme Court used the 'Mischief Rule' of interpretation to analyze the definition of "manufacturing process" by comparing the Factories Act, 1948, with its predecessor. What was the critical difference noted in the 1948 Act's definition (Section 2(k)) compared to the 1934 Act's definition (Section 2(g))?

- (1) The 1948 Act introduced the concept of "power" being used in the process.
- (2) The 1948 Act included the words 'washing, cleaning', which were absent in the 1934 Act.
- (3) The 1948 Act removed the exemption for mobile units of the armed forces.
- (4) The 1948 Act lowered the minimum age of employment for children.

**Correct Answer:** (2) The 1948 Act included the words 'washing, cleaning', which were absent in the 1934 Act.

### Solution:

The Supreme Court noted that the key difference between the 1948 Act's definition and the 1934 Act's definition was the inclusion of the words "washing, cleaning" in the 1948 Act, which was absent in the 1934 Act. Therefore, option (2) is correct.

### Quick Tip

The inclusion of "washing, cleaning" in the 1948 Act expanded the definition of manufacturing process compared to the 1934 Act.

**14.** A premises is defined as a "factory" under Section 2(m)(i) of the Factories Act, 1948, if:

- (1) Twenty or more workers are working without the aid of power.
- (2) Ten or more workers are working, and a manufacturing process is carried on with the aid of power.
- (3) Less than ten workers are working, but the process involves hazardous substances.
- (4) It is a hotel, restaurant, or eating place.

**Correct Answer:** (2) Ten or more workers are working, and a manufacturing process is carried on with the aid of power.

**Solution:**

Under Section 2(m)(i) of the Factories Act, 1948, a premises qualifies as a "factory" if ten or more workers are employed, and a manufacturing process is carried on with the aid of power. Thus, option (2) is correct.

**Quick Tip**

A "factory" under the Factories Act requires at least ten workers and the use of power in the manufacturing process.

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**15.** The Supreme Court ruled that the Punjab and Haryana High Court judgment in Employees' State Insurance Corporation, Jullundur v. Triplex Dry Cleaners and Others (1982) was not applicable to the present case because:

- (1) The Triplex Dry Cleaners case was decided under the Shops and Establishments Act, not the Factories Act.
- (2) The Triplex Dry Cleaners case was decided before the definition of "manufacturing process" under the Factories Act, 1948, was incorporated into the Employees State Insurance Act (ESIC Act).
- (3) The Triplex Dry Cleaners case dealt with washing, not dry cleaning.
- (4) The ESIC Act was a penal statute, while the Factories Act, 1948, is a welfare statute.

**Correct Answer:** (2) The Triplex Dry Cleaners case was decided before the definition of "manufacturing process" under the Factories Act, 1948, was incorporated into the Employees State Insurance Act (ESIC Act).

**Solution:**

The Supreme Court ruled that the Triplex Dry Cleaners case was decided before the definition of "manufacturing process" under the Factories Act, 1948, was incorporated into the Employees State Insurance Act (ESIC Act). Hence, the case was not applicable to the present case. Thus, option (2) is correct.

**Quick Tip**

The applicability of the Triplex Dry Cleaners case was limited by the timing of the definition of "manufacturing process" in the ESIC Act.

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**IV.**

"Section 55 of the Indian Contract Act says that when a party to a contract promises to do a

certain thing within a specified time but fails to do so, the contract or so much of it as has not been performed, becomes voidable at the option of the promisee if the intention of the parties was, that time should be of the essence of the contract. If time is not the essence of the contract, the contract does not become voidable by the failure to do such thing on or before the specified time but the promisee is entitled to compensation from the promisor for any loss occasioned to him by such failure. Further, if in case of a contract voidable on account of the promisor's failure to perform his promise within the time agreed and the promisee accepts performance of such promise at any time other than that agreed, the promisee cannot claim compensation for any loss occasioned by the non-performance of the promise at the time agreed, unless, at the time of such acceptance he gives notice to the promisor of his intention to do so.

... Sections 73 and 74 deal with consequences of breach of contract. Heading of Section 73 is compensation for loss or damage caused by breach of contract. When a contract is broken, the party who suffers by such breach is entitled to receive from the party who has broken the contract compensation for any loss or damage caused to him thereby which naturally arises in the usual course of things from such breach or which the parties knew when they made the contract to be likely to result from the breach of it. On the other hand, Section 74 deals with compensation for breach of contract where penalty is stipulated for. When a contract is broken, if a sum is mentioned in the contract as the amount to be paid in case of such breach or if the contract contains any other stipulation by way of penalty, the party complaining of the breach is entitled whether or not actually damage or loss is proved to have been caused thereby, to receive from the party who has broken the contract reasonable compensation not exceeding the amount so named or the penalty stipulated for."

[Extracted from: Consolidated Construction Consortium Limited v Software Technology Parks of India 2025 INSC 574]

**16.** Whether time is of essence or not is a question of fact, and the real test is the parties' intention. Which amongst the following is not correct in ascertaining the intention of the parties with respect to "time is of essence".

- (1) The express words used in the contract.
- (2) The nature of the property which forms the subject-matter of the contract.
- (3) The nature of the contract and the surrounding circumstances.
- (4) The nature of the contract that provides for an extension of time or liquidated damages for delays

**Correct Answer:** (4) The nature of the contract that provides for an extension of time or liquidated damages for delays

**Solution:**

The nature of the contract that provides for an extension of time or liquidated damages for delays is not a correct indicator of whether time is of essence. Other factors like express words, property, and surrounding circumstances are more relevant. Thus, option (4) is correct.

### Quick Tip

Time is of essence in a contract if explicitly stated or implied from the nature of the contract, property, and circumstances.

**17.** Which of the following is NOT a leading judgment on section 74 of the Indian Contract Act:

- (1) Kailash Nath Associates v Delhi Development Authority [2015] 1 SCR 627.
- (2) ONGC Ltd v Saw Pipes Ltd (2003) 5 SCC 705.
- (3) Fateh Chand v Balkishan Dass (1964) 1 SCR 515.
- (4) Satyabrata Ghose v MugneeramBangur& Co 1954 SCR 310.

**Correct Answer:** (4) Satyabrata Ghose v MugneeramBangur& Co 1954 SCR 310.

### Solution:

Satyabrata Ghose v MugneeramBangur& Co is not a leading judgment on Section 74 of the Indian Contract Act, as it did not primarily focus on the issues regarding liquidated damages and penalty clauses. Thus, option (4) is correct.

### Quick Tip

Leading judgments on Section 74 typically focus on liquidated damages and penalty clauses in contracts.

**18.** Which of the following is a CORRECT proposition as regards award of damages in contract?

- (1) In general, no damages in contract are awarded for injury to plaintiff's feelings or for mental distress, loss of reputation or social discredit caused by the breach of contract.
- (2) In general, damages in contract are awarded for anguish and vexation caused by the breach of contract.
- (3) In general, damages in contract are awarded for anguish and loss of reputation, but not for social discredit caused by the breach of contract.
- (4) In general, damages in contract are awarded for emotional distress, but not for mental agony caused by the breach of contract.

**Correct Answer:** (1) In general, no damages in contract are awarded for injury to plaintiff's feelings or for mental distress, loss of reputation or social discredit caused by the breach of

contract.

**Solution:**

Generally, in contract law, damages are not awarded for emotional distress or mental agony unless specifically stipulated. Thus, option (1) is correct.

**Quick Tip**

Contract damages are typically compensatory and do not cover emotional distress unless stipulated.

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**19.** Which of the following is/are CORRECT proposition(s) as regards the law on damages for the breach of contract under section 74 of the Indian Contract Act:

- (1) Where a sum is named in the contract as a liquidated amount payable by way of damages, only reasonable compensation can be awarded not exceeding the amount so stated.
- (2) In cases where the amount fixed is in the nature of penalty, only reasonable compensation can be awarded, not exceeding the penalty so stated.
- (3) The expression 'whether or not actual damage or loss is proved to have been caused thereby' in section 74 means that in every case the proof of actual damage or loss has been dispensed with.
- (4) Both (A) and (B).

**Correct Answer:** (4) Both (A) and (B).

**Solution:**

Both propositions (A) and (B) correctly outline the limits placed on damages under Section 74, where reasonable compensation is allowed based on the liquidated amount or penalty stated in the contract. Thus, option (4) is correct.

**Quick Tip**

Section 74 ensures that liquidated damages and penalty clauses do not exceed reasonable compensation for loss or damage.

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**20.** \_\_\_\_\_ will apply to cases of forfeiture of earnest money under a contract. Where, however, forfeiture takes place under the terms and conditions of a public auction before agreement is

reached, section 74 would have no application:

- (1) Section 55.
- (2) Section 73.
- (3) Section 74.
- (4) Section 75.

**Correct Answer:** (3) Section 74.

**Solution:**

Section 74 applies to cases of forfeiture of earnest money under a contract. It does not apply when forfeiture takes place during a public auction before the agreement is finalized. Thus, option (3) is correct.

**Quick Tip**

Section 74 is relevant for cases involving forfeiture of earnest money unless the forfeiture occurs before an agreement in a public auction.

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**V.**

“Law treats all contracts with equal respect and unless a contract is proved to suffer from any of the vitiating factors, the terms and conditions have to be enforced regardless of the relative strengths and weakness of the parties.

Section 28 of the Contract Act does not bar exclusive jurisdiction clauses. What has been barred is the absolute restriction of any party from approaching a legal forum. The right to legal adjudication cannot be taken away from any party through contract but can be relegated to a set of Courts for the ease of the parties. In the present dispute, the clause does not take away the right of the employee to pursue a legal claim but only restricts the employee to pursue those claims before the courts in Mumbai alone.

... the Court must already have jurisdiction to entertain such a legal claim. This limb pertains to the fact that a contract cannot confer jurisdiction on a court that did not have such a jurisdiction in the first place.”

[Extracted from: Rakesh Kumar Verma v HDFC Bank Ltd 2025 INSC 473]

**21.** Which of the following propositions is CORRECT:

- (1) It is, in general, open to the contracting parties to confer by their agreement jurisdiction on a court which does not possess the jurisdiction under the law.
- (2) It is not open to the contracting parties to confer by their agreement jurisdiction on a court

which does not possess the jurisdiction under the law.

(3) It is open to the contracting parties to confer by their written and registered agreement jurisdiction on a court which does not possess the jurisdiction under the law.

(4) If it is absolutely in the interest of the contracting parties, then only it is open to the contracting parties to confer by their agreement jurisdiction on a court which does not possess the jurisdiction under the law.

**Correct Answer:** (2) It is not open to the contracting parties to confer by their agreement jurisdiction on a court which does not possess the jurisdiction under the law.

**Solution:**

According to the passage, the court cannot be conferred jurisdiction through the contract when the court does not already possess the jurisdiction under the law. Jurisdiction is determined by the law and not merely by the agreement of the parties. Hence, option (2) is the correct answer.

**Quick Tip**

The jurisdiction of a court is determined by the law, and contracting parties cannot confer jurisdiction on a court that does not have it under the law.

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**22.** Which of the following propositions is NOT CORRECT about an ouster clause:

(1) Jurisdiction of civil courts is created by statute and cannot be created or conferred by consent of the parties upon a court which has not been granted jurisdiction by the law.

(2) Where two or more courts have under the law jurisdiction to try a suit or proceeding, an agreement between the parties that the dispute between them will be tried in one of such courts, is not contrary to public policy.

(3) Ouster clauses can oust the jurisdiction only of civil courts and not of the High Court, provided such jurisdiction exists in the High Court on account of part of cause of action having arisen within its territorial jurisdiction.

(4) An ouster clause is valid even if it confers exclusive jurisdiction on a court that otherwise has no territorial or pecuniary jurisdiction over the matter.

**Correct Answer:** (4) An ouster clause is valid even if it confers exclusive jurisdiction on a court that otherwise has no territorial or pecuniary jurisdiction over the matter.

**Solution:**

An ouster clause, which seeks to oust the jurisdiction of the courts, is valid only when it operates within the limits allowed by the law. In this case, option (4) is incorrect because an ouster clause cannot validly confer exclusive jurisdiction on a court that lacks territorial or pecuniary



jurisdiction over a matter. Jurisdiction is defined by the law, not by an agreement between the parties. Even if parties agree, the court cannot exercise jurisdiction if it does not have the necessary territorial or pecuniary authority. Therefore, option (4) is NOT correct.

#### Quick Tip

An ouster clause cannot confer jurisdiction on a court that does not have territorial or pecuniary jurisdiction over the matter. The jurisdiction is determined by law, not by party agreement.

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**23.** Which of the following cannot be a condition for an exclusive jurisdiction clause in a contract to be valid:

- (1) It should be in consonance with section 28 of the Indian Contract Act, i.e. it should not absolutely restrict any party from initiating legal proceedings pertaining to the contract.
- (2) The court which the parties have chosen for exclusive jurisdiction must be competent to have such jurisdiction.
- (3) The parties must either impliedly or explicitly agree to subject themselves to the jurisdiction of a specific court for the resolution of their contractual dispute.
- (4) The parties agree to the jurisdiction of a court that does not have the jurisdiction over the matter under the general law.

**Correct Answer:** (4) The parties agree to the jurisdiction of a court that does not have the jurisdiction over the matter under the general law.

#### Solution:

An exclusive jurisdiction clause cannot be valid if it agrees to a court having no jurisdiction over the matter under the general law. Jurisdiction is determined by law, and parties cannot confer jurisdiction on a court that lacks the necessary authority. Therefore, option (4) is not a valid condition for the validity of an exclusive jurisdiction clause.

#### Quick Tip

A jurisdiction clause is valid only if the chosen court has the necessary jurisdiction over the matter, as determined by general law.

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**24.** Section 28 of the Indian Contract Act is subject to ————— appended to it:

- (1) One exception.
- (2) Two exceptions.
- (3) Three exceptions.
- (4) Four exceptions.

**Correct Answer:** (2) Two exceptions.

**Solution:**

Section 28 of the Indian Contract Act is subject to two exceptions, which pertain to restrictions on initiating legal proceedings for enforcing contractual rights. These exceptions allow for limited scenarios where parties may not be completely restricted from pursuing legal action. Thus, option (2) is the correct answer.

**Quick Tip**

Section 28 allows for two exceptions related to the restriction of legal proceedings and does not allow absolute restrictions.

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**25.** Which of the following agreements has/have been rendered void by section 28 of the Indian Contract Act:

- (1) An agreement by which any party thereto is restricted absolutely from enforcing his rights under or in respect of any contract, by the usual legal proceedings in the ordinary tribunals.
- (2) An agreement which limits the time within which any party thereto may enforce his contractual rights.
- (3) Both (A) and (B).
- (4) Neither (A) nor (B).

**Correct Answer:** (3) Both (A) and (B).

**Solution:**

Section 28 of the Indian Contract Act renders void any agreement that either restricts a party absolutely from enforcing their rights through legal proceedings or limits the time within which they may enforce their rights. Therefore, both (A) and (B) are rendered void by Section 28, making option (3) correct.

**Quick Tip**

Section 28 invalidates any agreement that imposes an absolute restriction on enforcing rights or unreasonably limits the time for enforcement.

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## VI

“The law is well settled that a constitutional court can award monetary compensation against the State and its officials for its failure to safeguard fundamental rights of citizens but there is no system or method to measure the damages caused in such situations. Quite often the courts have a difficult task in determining damages in various fact situations. The yardsticks normally adopted for determining the compensation payable in private tort claims are not as such applicable when a constitutional court determines the compensation in cases where there is a violation of fundamental rights guaranteed to its citizens.

... In *D.K. Basu v. State of W.B.* [(1997) SCC 1 416], a Constitution Bench of this Court held that there is no straitjacket formula for computation of damages and we find that there is no uniformity or yardstick followed in awarding damages for violation of fundamental rights. In *Rudul Sah case* [*Rudul Sah v. State of Bihar*, (1983) 4 SCC 141] this Court used the terminology ‘palliative’ for measuring the damages and the formula of ‘ad hoc’ was applied. In *Sebastian Hongray case* [*Sebastian M. Hongray v. Union of India*, (1984) 3 SCC 82] the expression used by this Court for determining the monetary compensation was ‘exemplary’ costs and the formula adopted was ‘punitive’. In *Bhim Singh case* [*Bhim Singh v. State of J & K*, (1985) 4 SCC 677], the expression used by the Court was ‘compensation’ and the method adopted was ‘tortious formula’. In *D.K. Basu v. State of W.B.* [(1997) SCC 1 416] the expression used by this Court for determining the compensation was ‘monetary compensation’. The formula adopted was ‘cost to cost’ method. Courts have not, therefore, adopted a uniform criterion since no statutory formula has been laid down.”

[Extracted from: *Municipal Corporation of Delhi, Delhi v Uphaar Tragedy Victims Association* (2011) 14 SCC 481]

**26.** The public law proceedings serve a different purpose than the private law proceedings. The relief of monetary compensation, as exemplary damages, in proceedings under article 32 by the Supreme Court or under article 226 by the High Courts, for established infringement of the indefeasible right guaranteed under article 21 of the Constitution is a remedy available in ————— and is based on the strict liability for contravention of the guaranteed basic and indefeasible rights of the citizen:

- (1) Public law.
- (2) Private law.
- (3) Civil law.
- (4) All the above.

**Correct Answer:** (1) Public law.

### Solution:

Monetary compensation in public law proceedings, such as under Articles 32 or 226, is available as a remedy for the violation of fundamental rights guaranteed under Article 21 of the Constitution. This is an aspect of public law where strict liability applies in the case of contravention of the fundamental rights. Hence, option (1) is correct.

### Quick Tip

In public law, the compensation is often awarded for violations of fundamental rights, particularly those related to life and liberty under Article 21.

**27.** Choose the IN-CORRECT proposition about ‘constitutional tort’:

- (1) In essence, it attributes vicarious liability on the State for acts and omissions of its agents which result in violation of fundamental rights of an individual or group.
- (2) Constitutional law and tort law came to be merged by the Supreme Court which began allowing successful petitioners to recover monetary damages from the State for infraction of their fundamental rights.
- (3) The causal connection between the act or omission and the resultant infraction of fundamental rights, is central to any determination of an action of constitutional tort.
- (4) The doctrine of sovereign immunity absolutely protects the State from liability for all acts of its servants, including those that violate fundamental rights.

**Correct Answer:** (4) The doctrine of sovereign immunity absolutely protects the State from liability for all acts of its servants, including those that violate fundamental rights.

### Solution:

The doctrine of sovereign immunity, which protects the State from liability for the actions of its servants, has been relaxed in cases involving constitutional torts. The State can be held liable for violations of fundamental rights. Therefore, option (4) is incorrect as it implies that the State is absolutely protected from liability in such cases, which is not true in the context of constitutional torts.

### Quick Tip

Sovereign immunity does not apply in cases of constitutional torts, where the State may be held liable for violations of fundamental rights.

**28.** Which of the following cases is NOT related to constitutional tort:

- (1) Kaushal Kishor v State of Uttar Pradesh 2023 INSC 4.
- (2) Bombay Hospital & Medical Research Centre v Asha Jaiswal 2021 INSC 801.
- (3) Municipal Corporation of Delhi, Delhi v Uphaar Tragedy Victims Association (2011) 14 SCC 481.
- (4) DK Basu v State of WB [(1997) SCC 1 416.

**Correct Answer:** (2) *Bombay Hospital & Medical Research Centre v Asha Jaiswal* 2021 INSC 801.

**Solution:**

The case "*Bombay Hospital & Medical Research Centre v Asha Jaiswal*" does not fall under the category of constitutional torts, as it pertains more to medical negligence and civil law. Constitutional torts typically deal with violations of fundamental rights by the State. Therefore, option (2) is not related to constitutional tort.

**Quick Tip**

Constitutional torts involve violations of fundamental rights, typically involving state action or state actors, unlike cases related to medical negligence.

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**29.** Which of the following propositions is/are CORRECT about the award of damages in cases where there is violation of fundamental rights:

- (1) Constitutional courts can in appropriate cases of serious violation of life and liberty of the individuals award punitive damages.
- (2) Owing to lack of legislation, the Courts dealing with the cases of tortious claims against State and its officials are not following a uniform pattern while deciding those claims and this, at times, leads to undesirable consequences and arbitrary fixation of compensation amount.
- (3) Both (A) and (B).
- (4) Neither (A) nor (B).

**Correct Answer:** (3) Both (A) and (B).

**Solution:**

Both options (A) and (B) are correct. In cases of serious violations of fundamental rights, constitutional courts can award punitive damages to deter future violations. However, the lack of a uniform approach and legislation on tortious claims against the State has resulted in inconsistent and sometimes arbitrary decisions regarding the amount of compensation. Therefore, both (A) and (B) are correct.

**Quick Tip**

In the absence of clear legislation, courts may have to rely on judicial discretion, which can lead to inconsistencies in awarding damages for violations of fundamental rights.

**30.** The principle of sovereign immunity of the State for the tortious acts of its servant, has been held to be ————— in the case of violation of fundamental rights:

- (1) Always applicable.
- (2) Inapplicable.
- (3) A good defence.
- (4) Occasionally applicable.

**Correct Answer:** (2) Inapplicable.

**Solution:**

The principle of sovereign immunity, which generally protects the State from liability for torts committed by its servants, is inapplicable in cases where fundamental rights are violated. The State can be held accountable for constitutional torts and violations of fundamental rights. Therefore, option (2) is the correct answer.

**Quick Tip**

Sovereign immunity does not apply in cases involving constitutional torts, where the State is liable for violations of fundamental rights.

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**VII.**

It is well recognized that actionable negligence in context of medical profession involves three constituents (i) duty to exercise due care; (ii) breach of duty and (iii) consequential damage. However, a simple lack of care, an error of judgment or an accident is not sufficient proof of negligence on part of the medical professional so long as the doctor follows the acceptable practice of the medical profession in discharge of his duties. He cannot be held liable for negligence merely because a better alternative treatment or course of treatment was available or that more skilled doctors were there who could have administered better treatment.

A medical professional may be held liable for negligence only when he is not possessed with the requisite qualification or skill or when he fails to exercise reasonable skill which he possesses in giving the treatment. None of the above two essential conditions for establishing negligence stand satisfied in the case at hand as no evidence was brought on record to prove that Dr. Neeraj Sud had not exercised due diligence, care or skill which he possessed in operating the patient and giving treatment to him. When reasonable care, expected of the medical professional, is extended or rendered to the patient unless contrary is proved, it would not be a case for actionable negligence.

[Extracted with edits and revisions from *Neeraj Sud v Jaswinder Singh* 2024 INSC 825]

**31.** In which of the following situations, a professional would be held liable for negligence:

- (1) If he was not possessed of the requisite skill which he professed to have possessed, or, he did not exercise, with reasonable competence, in the given case, the skill which he did possess.
- (2) If he failed to use exceptional or extraordinary precautions which might have prevented the damage (particular happening).
- (3) Both (A) and (B).
- (4) Neither (A) nor (B).

**Correct Answer:** (1) If he was not possessed of the requisite skill which he professed to have possessed, or, he did not exercise, with reasonable competence, in the given case, the skill which he did possess.

**Solution:**

In the case of professional negligence, a professional can be held liable for not exercising the requisite skill or not performing with reasonable competence within their field of expertise. The issue here is not whether extraordinary precautions could have been taken but whether the professional performed up to the standard expected in their profession. Hence, the correct answer is (1).

**Quick Tip**

In medical negligence, it is crucial that professionals exercise reasonable competence and skill. Deviation from this standard could lead to liability.

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**32.** Which of the following propositions is INCORRECT as regards negligence in civil law and in criminal law:

- (1) The jurisprudential concept of negligence differs in civil law and criminal law.
- (2) What may be negligence in civil law may not necessarily be negligence in criminal law.
- (3) For an act to amount to criminal negligence, the degree of negligence should be much higher, i.e. gross or of a very high degree.
- (4) For negligence to amount to both a 'tort' and an 'offence', the element of mens rea must necessarily be shown to have existed.

**Correct Answer:** (4) For negligence to amount to both a 'tort' and an 'offence', the element of mens rea must necessarily be shown to have existed.

**Solution:**

In the context of negligence, a tort does not require mens rea (intention or knowledge of wrongdoing) to be proven. Negligence can be established based on the failure to exercise reasonable

care, and it does not require proof of intent. However, in criminal law, negligence is often more severe and may require proof of gross negligence. Hence, option (4) is incorrect because negligence does not require mens rea in civil law.

#### Quick Tip

In civil law, negligence is a tort that does not require proof of mens rea, while in criminal law, gross negligence may be required for liability.

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**33.** The basis or the yardstick for judging the performance of the professional proceeded against on indictment of negligence is:

- (1) That of an ordinary and reasonably competent person exercising ordinary skill in that profession.
- (2) That of a person with the highest level of expertise or skills in that branch which he practices.
- (3) That of a person with the highest level of expertise or skills in that branch which he practices, and possessing the knowledge of all latest developments.
- (4) Both (B) and (C).

**Correct Answer:** (1) That of an ordinary and reasonably competent person exercising ordinary skill in that profession.

#### Solution:

The standard for determining negligence in a professional is based on the reasonable competency of an ordinary professional in that field, not the highest level of expertise or latest developments. The judgment is not based on exceptional skills but on the general competence expected in the profession. Hence, option (1) is the correct answer.

#### Quick Tip

Negligence in professional contexts is judged based on the standard of a reasonably competent practitioner in the relevant field, not the most expert level.

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**34.** Deviation from normal medical practice is not necessarily evidence of negligence. In order to establish liability of a medical practitioner on that basis, which of the following requirements has/have to be shown:



- (1) That, there is a usual and normal practice; and the medical practitioner (defendant) has not adopted it.
- (2) That, the course in fact adopted by the medical practitioner (defendant) is one, which no professional man of ordinary skill would have taken, had he been acting with ordinary care.
- (3) Both (A) and (B).
- (4) Neither (A) nor (B).

**Correct Answer:** (3) Both (A) and (B).

**Solution:**

For a medical practitioner to be held liable for negligence, it must be shown that the medical practice followed deviated from the usual or normal practice, and that no reasonable professional with ordinary skill would have made the same choice. This establishes both the breach of standard care and the lack of reasonable competency. Hence, option (3) is correct.

**Quick Tip**

Negligence in medical practice is established when the defendant deviates from standard medical practice and this deviation is unreasonable given their skills.

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**35.** A medical practitioner would not be held liable:

- (1) Where his conduct fell below that of the standards of a reasonably competent practitioner in his field.
- (2) Where things went wrong from mischance or misadventure or through an error of judgment in choosing one reasonable course of treatment in preference of another.
- (3) Both (A) and (B).
- (4) Neither (A) nor (B).

**Correct Answer:** (3) Both (A) and (B).

**Solution:**

A medical practitioner would not be held liable for errors in judgment if those errors are within the range of reasonable professional discretion. If the practitioner followed the standard of care expected from a reasonably competent professional, and if the error was a reasonable choice, it would not amount to negligence. Hence, both options (A) and (B) are correct.

### Quick Tip

In medical negligence, an error in judgment is not always negligence unless the error deviates from what a reasonably competent professional would have done in similar circumstances.

## VIII.

Today, in the year 2025, we have been experiencing the drastic consequences of large scale destruction of environment on human lives in the capital city of our country and in many other cities. At least for a span of two months every year, the residents of Delhi suffocate due to air pollution. The AQI level is either dangerous or very dangerous. They suffer in their health. The other leading cities are not far behind. The air and water pollution in the cities is ever increasing. Therefore, coming out with measures such as the 2021 Official Memorandum is violative of fundamental rights of all persons guaranteed under Article 21 to live in a pollution free environment. It also infringes the right to health guaranteed under Article 21 of the Constitution.

The 2021 OM talks about the concept of development. Can there be development at the cost of environment? Conservation of environment and its improvement is an essential part of the concept of development. Therefore, going out of the way by issuing such OMs to protect those who have caused harm to the environment has to be deprecated by the Courts which are under a constitutional and statutory mandate to uphold the fundamental right under Article 21 and to protect the environment. In fact, the Courts should comedown heavily on such attempts. As stated earlier, the 2021 OM deals with project proponents who were fully aware of the EIA notification and who have taken conscious risk to flout the EIA notification and go ahead with the construction/continuation/expansion of projects. They have shown scant respect to the law and their duty to protect the environment. Apart from violation of Article 21, such action is completely arbitrary which is violative article 14 of the Constitution of India, besides being violative of the 1986 Act and the EIA notification.

[Extracted with edits from *Vanashakti v. Union of India*, 2025 INSC 718]

**36.** What was the central controversy in the petition, *Vanashakti v. Union of India*?

- (1) The constitutional validity of the Environment (Protection) Act, 1986.
- (2) The determination of pollution load standards for Category 'B' projects.
- (3) The ex post facto grant of Environmental Clearance (EC).
- (4) The delegation of powers to the State Environment Impact Assessment Authority (SEIAA).

**Correct Answer:** (3) The ex post facto grant of Environmental Clearance (EC).

### Solution:

The central controversy in the petition was the practice of granting Environmental Clearances (EC) ex post facto, which was found to be contrary to environmental jurisprudence. The

petitioners argued that such a practice violated the principles of the Environment Impact Assessment (EIA) and the Constitution of India.

#### Quick Tip

Ex post facto Environmental Clearance (EC) undermines environmental regulations and the rights of the citizens to live in a pollution-free environment.

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**37.** The Environment Impact Assessment (EIA) Notification, 2006, which mandates prior EC, was issued by the Central Government under which primary legislation?

- (1) The Wild Life (Protection) Act, 1972.
- (2) The Biological Diversity Act, 2002.
- (3) The Environment (Protection) Act, 1986.
- (4) The National Green Tribunal Act, 2010.

**Correct Answer:** (3) The Environment (Protection) Act, 1986.

#### Solution:

The Environment Impact Assessment (EIA) Notification, 2006 was issued under the Environment (Protection) Act, 1986. This Act gives the Central Government the power to protect and improve the environment and regulate environmental matters.

#### Quick Tip

The Environment (Protection) Act, 1986 provides the legal basis for various environmental regulations, including the Environmental Clearance process.

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**38.** The Supreme Court reiterated a concluded finding that the concept of ex post facto or retrospective Environmental Clearance (EC) is:

- (1) Detrimental to the environment but permissible under Article 142 of the Constitution.
- (2) Completely alien to environmental jurisprudence and the EIA notification.
- (3) A necessary measure to bring defaulting entities into regulatory compliance.
- (4) A valid administrative decision protected by Section 3 of the 1986 Act.

**Correct Answer:** (2) Completely alien to environmental jurisprudence and the EIA notification.

**Solution:**

The Supreme Court found that the concept of ex post facto Environmental Clearance (EC) goes against the principles of environmental law and the EIA notification. It was determined that such clearances undermine the entire framework set to protect the environment.

**Quick Tip**

Ex post facto clearance violates the precautionary principle of environmental jurisprudence and weakens environmental protection mechanisms.

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**39.** The EIA Notification 2006, mandates that prior Environmental Clearance (EC) must be obtained at what stage of a project?

- (1) Before commencing operations or processes.
- (2) Within six months of a project's completion.
- (3) After the public hearing but before the final appraisal.
- (4) Before any construction work, or preparation of land is started on the project.

**Correct Answer:** (4) Before any construction work, or preparation of land is started on the project.

**Solution:**

As per the EIA Notification 2006, Environmental Clearance (EC) must be obtained before any construction work or land preparation begins. This is to ensure that the environmental impact of a project is assessed before the commencement of physical activities.

**Quick Tip**

Obtaining prior Environmental Clearance (EC) is crucial for projects to ensure compliance with environmental regulations.

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**40.** Allowing for ex post facto clearance was held to be contrary to which two fundamental principles of environmental jurisprudence?

- (1) Doctrine of Necessity and Principle of Stare Decisis.
- (2) Polluter Pays Principle and Public Trust Doctrine.
- (3) Precautionary Principle and Sustainable Development.
- (4) Doctrine of Sovereign immunity and doctrine of Public Trust.

**Correct Answer:** (3) Precautionary Principle and Sustainable Development.

**Solution:**

The Supreme Court identified the violation of the Precautionary Principle and Sustainable Development by allowing ex post facto clearance. These principles emphasize proactive environmental protection and long-term sustainability, which are undermined by such clearances.

**Quick Tip**

The Precautionary Principle and Sustainable Development are key aspects of environmental law and governance, prioritizing prevention and long-term ecological health.

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**IX.**

With the Paris Agreement, countries established an enhanced transparency framework (ETF). Under ETF, starting in 2024, countries will report transparently on actions taken and progress in climate change mitigation, adaptation measures and support provided or received. It also provides for international procedures for the review of the submitted reports.

The information gathered through the ETF will feed into the Global stocktake which will assess the collective progress towards the long-term climate goals. This will lead to recommendations for countries to set more ambitious plans in the next round.

Although climate change action needs to be massively increased to achieve the goals of the Paris Agreement, the years since its entry into force have already sparked low-carbon solutions and new markets. More and more countries, regions, cities and companies are establishing carbon neutrality targets. Zero-carbon solutions are becoming competitive across economic sectors representing 25% of emissions. This trend is most noticeable in the power and transport sectors and has created many new business opportunities for early movers. By 2030, zero-carbon solutions could be competitive in sectors representing over 70% of global emissions.

**41.** What is the central, long-term temperature goal of the Paris Agreement?

- (1) To limit the global temperature increase to exactly 1.5 degrees
- (2) To hold the increase in the global average temperature to well below 2 degrees above pre-industrial levels and to pursue efforts to limit it to 1.5 degrees.
- (3) To reduce the global average temperature to pre-industrial levels by the year 2100.
- (4) To limit the global temperature increase to 3 degrees above pre-industrial levels.

**Correct Answer:** (2) To hold the increase in the global average temperature to well below 2 degrees above pre-industrial levels and to pursue efforts to limit it to 1.5 degrees.

**Solution:**

The Paris Agreement's primary objective is to limit global warming to below 2 degrees Celsius and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels, as this is necessary to avoid the most severe impacts of climate change.

**Quick Tip**

The Paris Agreement seeks to keep global temperature rise well below 2°C and aim for 1.5°C to prevent the worst impacts of climate change.

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**42.** The Paris Agreement calls for a process to periodically assess the collective progress toward achieving its long-term goals. What is this process called?

- (1) The Compliance Mechanism
- (2) The Global Stocktake
- (3) The Transparency Framework
- (4) The Adaptation Communication

**Correct Answer:** (2) The Global Stocktake

**Solution:**

The process to assess the collective progress of the countries towards the Paris Agreement's long-term climate goals is known as the Global Stocktake. This occurs every five years to evaluate whether current efforts are sufficient to meet the targets.

**Quick Tip**

The Global Stocktake is a critical process in the Paris Agreement that evaluates progress towards meeting climate goals.

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**43.** Which previous International Climate Treaty did the Paris Agreement succeed and replace in terms of its operational framework after 2020?

- (1) The Montreal Protocol
- (2) The Basel Convention
- (3) The Kyoto Protocol
- (4) The Convention on Biological Diversity (CBD)

**Correct Answer:** (3) The Kyoto Protocol

**Solution:**

The Paris Agreement succeeded and replaced the Kyoto Protocol, which set binding emission reduction targets for developed countries. Unlike the Kyoto Protocol, the Paris Agreement applies to all countries and focuses on a bottom-up approach with nationally determined contributions.

**Quick Tip**

The Paris Agreement replaced the Kyoto Protocol, introducing a more inclusive and flexible framework for global climate action.

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**114.** The Paris Agreement establishes a clear distinction in obligations between developed and developing countries regarding:

- (1) The long-term temperature goal, with different limits for each group.
- (2) Mitigation efforts, by requiring only developed countries to submit NDCs.
- (3) Climate finance, by requiring developed countries to provide financial resources to assist developing countries.
- (4) The principle of sovereignty, by allowing only developing countries to withdraw from the Agreement.

**Correct Answer:** (3) Climate finance, by requiring developed countries to provide financial resources to assist developing countries.

**Solution:**

The Paris Agreement recognizes that developed countries have greater responsibilities in providing financial resources to developing countries to address climate change. This is a key element distinguishing the obligations of developed and developing countries under the Agreement.

**Quick Tip**

Developed countries are obligated to provide financial assistance to developing countries under the Paris Agreement to help them mitigate and adapt to climate change.

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**45.** The mechanism known as "Loss and Damage" in the context of climate change, which addresses the unavoidable adverse effects of climate change, is reinforced in the Paris Agreement

through the:

- (1) Technology Executive Committee.
- (2) Global Stocktake.
- (3) Warsaw International Mechanism (WIM).
- (4) Adaptation Fund.

**Correct Answer:** (3) Warsaw International Mechanism (WIM).

**Solution:**

The Warsaw International Mechanism (WIM) was established under the Paris Agreement to address the impacts of loss and damage caused by climate change. It is specifically designed to provide financial and technical support for vulnerable countries suffering from irreversible climate impacts.

**Quick Tip**

The Warsaw International Mechanism (WIM) addresses loss and damage caused by climate change, providing support to vulnerable countries.

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**X.**

SEBI was established as India's principal capital markets regulator with the aim to protect the interest of investors in securities and promote the development and regulation of the securities market in India. SEBI is empowered to regulate the securities market in India by the SEBI Act 1992, the SCRA and the Depositories Act 1996. SEBI's powers to regulate the securities market are wide and include delegated legislative, administrative, and adjudicatory powers to enforce SEBI's regulations. SEBI exercises its delegated legislative power by inter alia framing regulations and appropriately amending them to keep up with the dynamic nature of the securities' market. SEBI has issued a number of regulations on various areas of security regulation which form the backbone of the framework governing the securities market in India. Section 11 of the SEBI Act lays down the functions of SEBI and expressly states that it "shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit". Further, Section 30 of the SEBI Act empowers SEBI to make regulations consistent with the Act. Significantly, while framing these regulations, SEBI consults its advisory committees consisting of domain experts, including market experts, leading market players, legal experts, technology experts, retired Judges of this Court or the High Courts, academicians, representatives of industry associations and investor associations. During the consultative process, SEBI also invites and duly considers comments from the public on their proposed regulations. SEBI follows similar consultative processes while reviewing and amending its regulations.

(Extracted, with edits and revision, from the judgement in Vishal Tiwari v. Union Of India, [2024] 1 S.C.R. 171)



46. What is meant by SCRA in the above passage?

- (1) Securities Contracts (Regulation) Act
- (2) Securities and Corporate (Registration) Act
- (3) Securities Compliance (Regulation) Act
- (4) SEBI and Companies (Regulation) Act

**Correct Answer:** (1) Securities Contracts (Regulation) Act

**Solution:**

SCRA stands for Securities Contracts (Regulation) Act, which is a law designed to regulate securities markets in India and is referenced in the passage about SEBI's regulatory powers. The other options do not correctly reflect the term. Therefore, (1) is the correct answer.

**Quick Tip**

Always remember that the SCRA relates to regulating securities transactions and the establishment of the SEBI.

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47. Which of the following is not a committee setup by SEBI?

- (1) Technical Advisory Committee
- (2) Competition Advisory committee
- (3) Intermediary Advisory Committee
- (4) Market Data Advisory Committee

**Correct Answer:** (2) Competition Advisory committee

**Solution:**

SEBI has various advisory committees including the Technical Advisory Committee, Intermediary Advisory Committee, and Market Data Advisory Committee. However, the Competition Advisory Committee is not part of SEBI's structure. Hence, option (2) is the correct answer.

**Quick Tip**

SEBI sets up committees to advise on various aspects of securities markets, but the Competition Advisory committee is outside its framework.

**48.** Which among the following is not a function of SEBI?

- (1) regulating substantial acquisition of shares and take over of companies
- (2) prohibiting and regulating self-regulatory organisations
- (3) prohibiting insider trading in securities
- (4) promoting investors' education and training of intermediaries of securities markets.

**Correct Answer:** (2) prohibiting and regulating self-regulatory organisations

**Solution:**

SEBI is involved in regulating securities markets, protecting investors, and promoting education. However, regulating self-regulatory organizations is not one of SEBI's explicit functions, which makes option (2) the correct answer.

**Quick Tip**

SEBI focuses on regulating market activities and protecting investors, but not directly regulating self-regulatory organizations.

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**49.** The process by which an organisation thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies is called?

- (1) Annual general meeting
- (2) Corporate social responsibility
- (3) Issuing Shelf prospectus
- (4) Incorporation of a company

**Correct Answer:** (2) Corporate social responsibility

**Solution:**

Corporate social responsibility (CSR) refers to a company's commitment to manage its business processes in a way that produces a positive impact on society, the environment, and its stakeholders. Hence, option (2) is the correct answer.

**Quick Tip**

CSR involves organizations thinking beyond profit to impact society and the environment positively.

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**50.** In which of the following cases did the court struck down the attempt of the government to nationalise banks and pay minimal compensation to the shareholders?

- (1) Shri Sunil Siddharthbhai Etc v. Union of India
- (2) R.C. Cooper v. Union of India
- (3) United Bank Of India v. SatyawatiTondon & Ors
- (4) Punjab National Bank v. Union of India

**Correct Answer:** (2) R.C. Cooper v. Union of India

**Solution:**

In the case of R.C. Cooper v. Union of India, the Supreme Court held that the government's attempt to nationalize banks and offer minimal compensation to the shareholders was unjust. Hence, option (2) is the correct answer.

**Quick Tip**

In cases of nationalization, fair compensation to shareholders is crucial. R.C. Cooper set important precedents in the case of bank nationalization.

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**XI.**

The element of gift is traceable to both 'settlement' and 'will'. As settled in law, the nomenclature of an instrument is immaterial and the nature of the document is to be derived from its contents. While so, a voluntary disposition can transfer the interest in *praesenti* and in future, in the same document. In such a case, the document would have the elements of both the settlement and will. Such document, then has to be registered and by operation of the doctrine of severability, becomes a composite document and has to be treated as both, a settlement and will and the respective rights will flow with regard to each disposition from the same document. It is pertinent to mention here that the reservation of life interest or any condition in the instrument, even if it postpones the physical delivery of possession to the donee/settlee, cannot be treated as a will, as the property had already been vested with the donee/settlee.

(Extracted from: NP Saseendran v NP Ponnamma 2025 INSC 388.)

**51.** Which of the following is NOT an essential of a valid gift:

- (1) It is a transfer of certain existing movable or immovable property.
- (2) It is made voluntarily.
- (3) It is made without consideration.
- (4) It must be accepted by or on behalf of the donee during the lifetime of the donor, even if the donor becomes incapable of giving the property.

**Correct Answer:** (4) It must be accepted by or on behalf of the donee during the lifetime of the donor, even if the donor becomes incapable of giving the property.

**Solution:**

A valid gift must satisfy several conditions, including being voluntary, without consideration, and involving a transfer of existing property. However, it is not necessary for the donee to accept the gift during the lifetime of the donor if the donor becomes incapable. Therefore, option (4) is incorrect as an essential element.

**Quick Tip**

A gift does not require acceptance by the donee during the lifetime of the donor, especially if the donor becomes incapable of making the gift.

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**52.** The element of \_\_\_\_\_ is common to all the three transactions, i.e. Gift, Settlement and Will:

- (1) Physical delivery of possession.
- (2) Absence of consideration.
- (3) Voluntary disposition.
- (4) Vesting of the right in *praesenti*.

**Correct Answer:** (4) Vesting of the right in *praesenti*.

**Solution:**

In all three legal transactions—Gift, Settlement, and Will—the common element is the vesting of the right in *praesenti*, meaning that the ownership or right is transferred immediately in the present moment. This contrasts with future dispositions.

**Quick Tip**

In legal terms, *praesenti* means the right is vested immediately, and this is a key feature in gifts, settlements, and wills.

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**53.** The main test to find out whether a document constitutes a 'Will' or a 'Settlement' is to see whether the disposition of the interest in the property is in *praesenti* in favour of the settlee or whether the disposition is to take effect on the death of the executant. In view of

this position of law, choose the CORRECT proposition:

- (1) If the disposition is to take effect on the death of the executant, it will be a Settlement. But, if the executant divests his interest in the property and vests his interest in *praesenti* in the transferee, the document will be a Will.
- (2) Whether the disposition is to take effect on the death of the executant or the executant divests his interest in the property and vests his interest in *praesenti* in the transferee, the document will nevertheless remain a Settlement.
- (3) If the disposition is to take effect on the death of the executant, it will be a Will. But, if the executant divests his interest in the property and vests his interest in *praesenti* in the settlee, the document will be a Settlement.
- (4) If the disposition takes effect on the assumption of death of the executant, it shall be a will.

**Correct Answer:** (3) If the disposition is to take effect on the death of the executant, it will be a Will. But, if the executant divests his interest in the property and vests his interest in *praesenti* in the settlee, the document will be a Settlement.

**Solution:**

The test to distinguish between a will and a settlement lies in whether the disposition is effective upon death or immediately. If the disposition takes effect on the death of the executant, it is a Will. If the interest is vested *praesenti*, it is a Settlement. Thus, option (3) is the correct statement.

**Quick Tip**

A key test in distinguishing between a Will and a Settlement is whether the interest is transferred immediately or on the death of the executant.

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**54.** Which of the following propositions is INCORRECT about a valid gift:

- (1) A gift may be suspended or revoked.
- (2) A gift comprising both existing and future property is valid in totality.
- (3) Delivery of possession is not a condition *sine qua non* to validate the gift.
- (4) In so far as gift of an immovable property is concerned, registration is mandatory.

**Correct Answer:** (3) Delivery of possession is not a condition *sine qua non* to validate the gift.

**Solution:**

A valid gift of immovable property must be completed by the delivery of possession, unless the donor is incapable of doing so. The proposition in option (3) is incorrect because delivery of

possession is essential for validating a gift.

#### Quick Tip

For a gift to be valid, especially in case of immovable property, possession must be delivered, or a valid reason for non-delivery must be established.

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**55.** Which of the following propositions is CORRECT about a Will:

- (1) It is revocable, as no interest in the property is intended to pass during the lifetime of the testator.
- (2) It is revocable, despite interest in the property being passed under the Will during the lifetime of the testator.
- (3) It is revocable because registration is not mandatory.
- (4) It is irrevocable because registration is not mandatory.

**Correct Answer:** (2) It is revocable, despite interest in the property being passed under the Will during the lifetime of the testator.

#### Solution:

A will is generally revocable at any time before the death of the testator. Even though it may dispose of property, the testator retains the right to alter or revoke the Will during their lifetime. Hence, option (2) is correct.

#### Quick Tip

A Will can be revoked or altered by the testator during their lifetime, even if it involves the transfer of property.

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## XII.

"Mortgage inter alia means transfer of interest in the specific immovable property for the purpose of securing the money advanced by way of loan. Section 17(1)(c) of the Registration Act provides that a non-testamentary instrument which acknowledges the receipt or payment of any consideration on account of the creation, declaration, assignment, limitation or extension of any such right, title or interest, requires compulsory registration. Mortgage by deposit of title-deeds in terms of Section 58(f) of the Transfer of Property Act surely acknowledges the receipt and transfer of interest and, therefore, one may contend that its registration is compulsory.

However, Section 59 of the Transfer of Property Act mandates that every mortgage other than a mortgage by deposit of title-deeds can be effected only by a registered instrument. In the face of it, in our opinion, when the debtor deposits with the creditor title-deeds of the property for the purpose of security, it becomes mortgage in terms of Section 58(f) of the Transfer of Property Act and no registered instrument is required under Section 59 thereof as in other classes of mortgage.

The essence of mortgage by deposit of title-deeds is handing over by a borrower to the creditor title-deeds of immovable property with the intention that those documents shall constitute security, enabling the creditor to recover the money lent. After the deposit of the title-deeds the creditor and borrower may record the transaction in a memorandum but such a memorandum would not be an instrument of mortgage. A memorandum reducing other terms and conditions with regard to the deposit in the form of a document, however, shall require registration under Section 17(1)(c) of the Registration Act, but in a case in which such a document does not incorporate any term and condition, it is merely evidential and does not require registration.” (Extracted from: *State of Haryana v Narvir Singh* (2014) 1 SCC 105)

**56.** Which of the following is NOT an essential of a mortgage under the Transfer of Property Act, 1882:

- (1) It is a transfer of an interest in specific immovable property.
- (2) It is for the purpose of securing the payment of money advanced or to be advanced by way of loan.
- (3) It is always in respect of an existing debt.
- (4) It is in respect of an existing or future debt, or the performance of an engagement which may give rise to a pecuniary liability.

**Correct Answer:** (3) It is always in respect of an existing debt.

**Solution:**

Under the Transfer of Property Act, 1882, a mortgage can be created not only for existing debts but also for future debts or other obligations that may arise. Therefore, it is not essential for a mortgage to be always in respect of an existing debt. Option (3) is incorrect.

**Quick Tip**

A mortgage can secure both existing and future debts, or any pecuniary liability.

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**57.** A mortgage by deposit of title-deeds is a form of mortgage recognised by section 58(f) of the Transfer of Property Act, 1882, which provides that:

(1) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the law implies a contract between the parties to create a mortgage, and no registered instrument is required under section 59 of the Transfer of Property Act, as in other forms of mortgage.

(2) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the implication of law (that there exists a contract between the parties to create a mortgage) is excluded, and a registered instrument is required under section 59 of the Transfer of Property Act.

(3) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the implication of law (that there exists a contract between the parties to create a mortgage) is excluded, and a registered instrument is required under section 58(f) of the Transfer of Property Act.

(4) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the implication of law (that there exists a contract between the parties to create a mortgage) is excluded, and a registered instrument is required under section 17(1)(c) of the Registration Act.

**Correct Answer:** (1) When the debtor deposits with the creditor the title-deeds of his property with an intent to create a security, the law implies a contract between the parties to create a mortgage, and no registered instrument is required under section 59 of the Transfer of Property Act, as in other forms of mortgage.

**Solution:**

A mortgage by deposit of title-deeds creates a security interest automatically upon deposit, and the contract is implied. Therefore, no registered instrument is required under Section 59 of the Transfer of Property Act for this type of mortgage.

**Quick Tip**

In a mortgage by deposit of title-deeds, no formal agreement is needed as the law automatically implies a mortgage.

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**58.** As per section 96 of the Transfer of Property Act, the provisions which apply to ----- shall, so far as may be, apply to a mortgage by deposit of title-deeds.

- (1) A simple mortgage.
- (2) A mortgage by conditional sale.
- (3) A usufructuary mortgage.
- (4) An English mortgage.

**Correct Answer:** (1) A simple mortgage.



**Solution:**

Section 96 of the Transfer of Property Act extends provisions of a simple mortgage to a mortgage by deposit of title-deeds, unless the context requires otherwise. Therefore, option (1) is correct.

**Quick Tip**

A mortgage by deposit of title-deeds follows similar provisions as a simple mortgage under Section 96 of the Transfer of Property Act.

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**59.** The period of limitation for a suit to enforce payment of money secured by a mortgage or otherwise charged upon immovable property is:

- (1) 30 years.
- (2) 12 years.
- (3) 20 years.
- (4) 3 years.

**Correct Answer:** (1) 30 years.

**Solution:**

As per the Limitation Act, the period of limitation for a suit to enforce the payment of money secured by mortgage or otherwise charged on immovable property is 30 years. Therefore, option (1) is the correct answer.

**Quick Tip**

For enforcing a mortgage, the period of limitation is 30 years, making it one of the longest periods for enforcement of a property-based security.

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**60.** In a mortgage by deposit of title-deeds, after the deposit of the title-deeds, if the creditor and the borrower choose to record their transaction in a memorandum reducing other terms and conditions (in addition to what flow from the mortgage by deposit of title-deeds) with regard to the deposit in the form of a memorandum/document, then the memorandum/document requires registration under section 17(1)(c) of the Registration Act. In this context, which among the following propositions is not correct?

- (1) The deposit and the document both form integral parts of the transaction and are essential ingredients in the creation of the mortgage.

- (2) The deposit alone is not intended to create the charge and the document, which constitutes the bargain regarding the security, is also necessary and operates to create the charge in conjunction with the deposit.
- (3) The implication of law (that there exists a contract between the parties to create a mortgage) is excluded by their express bargain, and the document becomes the sole evidence of its terms.
- (4) The deposit and the documents do not form integral parts of the transaction and hence they are not essential ingredients in the creation of the mortgage.

**Correct Answer:** (4) The deposit and the documents do not form integral parts of the transaction and hence they are not essential ingredients in the creation of the mortgage.

**Solution:**

The deposit and the document are both integral to the mortgage transaction. Option (4) is incorrect as it fails to recognize that both the deposit and document are essential for creating the mortgage.

**Quick Tip**

Both the deposit of title-deeds and the supporting document are essential to constitute a valid mortgage by deposit of title-deeds.

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**XIII.**

Having heard the learned Counsels for the parties, and on perusal of the material on record, the primary issue which arises for consideration of this Court is "whether a review or recall of an order passed in a criminal proceeding initiated under section 340 of CrPC is permissible or not?" [...] A careful consideration of the statutory provisions and the aforesaid decisions of this Court clarify the now-well settled position of jurisprudence of Section 362 of CrPC which when summarized would be that the criminal courts, as envisaged under the CrPC, are barred from altering or reviewing in their own judgments except for the exceptions which are explicitly provided by the statute, namely, correction of a clerical or an arithmetical error that might have been committed or the said power is provided under any other law for the time being in force. As the courts become *functus officio* the very moment a judgment or an order is signed, the bar of Section 362 CrPC becomes applicable. Despite the powers provided under Section 482 CrPC which, this veil cannot allow the courts to step beyond or circumvent an explicit bar. It also stands clarified that it is only in situations wherein an application for recall of an order or judgment seeking a procedural review that the bar would not apply and not a substantive review where the bar as contained in Section 362 CrPC is attracted. Numerous decisions of this Court have also elaborated that the bar under said provision is to be applied *strictu sensu*. (Extracted with edits and revisions from Vikram Bakshi v RP Khosla 2025 INSC 1020)

**61.** As per section 362 of Cr. P.C. (equivalent to section 403 of BNSS 2023), a criminal court has power to review or alter its own judgment or order only under the following circumstances:

- (1) If there is an error as to the question of fact.
- (2) If there is an error as to the question of law.
- (3) If there is/are clerical and arithmetical errors.
- (4) If the judgment or order is rendered per in curium.

**Correct Answer:** (3) If there is/are clerical and arithmetical errors.

**Solution:**

Section 362 of CrPC allows a criminal court to alter or review its own judgment or order only in cases involving clerical or arithmetical errors. This provision explicitly bars any review or alteration for other types of errors, such as errors of law or fact. Therefore, option (3) is the correct answer.

**Quick Tip**

Section 362 CrPC provides for review or alteration only in case of clerical and arithmetical errors.

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**62.** The bench in this case referred to a distinction drawn previously in *Grindlays Bank* case, that of procedural review and substantive review by criminal courts. Which of the following statements most accurately captures the distinction between the two decisions?

- (1) A procedural review is exercised when a higher court finds an error in interpretation, while a substantive review is limited to correcting factual inaccuracies within the same court.
- (2) A procedural review is available only in appellate courts, whereas a substantive review may be conducted by the original court that issued the court order.
- (3) A procedural review is inherent or implied in a court to set aside a palpably erroneous order passed under misapprehension by it. However, a substantive review is when the error sought to be corrected is one of law and is apparent on the face of the record.
- (4) A procedural review involves correcting errors of judgment made after hearing the parties, while a substantive review is confined to omissions in recording of legal reasoning.

**Correct Answer:** (3) A procedural review is inherent or implied in a court to set aside a palpably erroneous order passed under misapprehension by it. However, a substantive review is when the error sought to be corrected is one of law and is apparent on the face of the record.

**Solution:**

The distinction between procedural and substantive review lies in the nature of the error being

corrected. Procedural review is concerned with correcting mistakes in the application of procedure, while substantive review focuses on correcting legal errors that are clearly visible on the record. Thus, option (3) accurately captures the distinction.

#### Quick Tip

Procedural review corrects errors in procedure, while substantive review corrects errors of law or fact visible on the record.

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**63.** According to the Supreme Court's analysis, under which principle did the High Court claim to recall its Judgment, even though the Supreme Court ultimately rejected this basis?

- (1) Ex debito justitiae, to correct a factual error not brought to its notice earlier.
- (2) Inherent power under Section 482 of the CrPC to prevent the abuse of the process of any Court.
- (3) The power of a criminal court to conduct a "substantive review" on the merits of the case.
- (4) The binding nature of the Supreme Court's earlier Judgment which mandated a decision on the perjury application.

**Correct Answer:** (1) Ex debito justitiae, to correct a factual error not brought to its notice earlier.

#### Solution:

The High Court argued that it had the right to recall its judgment based on the principle of "Ex debito justitiae," which allows for the correction of factual errors not previously noticed. However, the Supreme Court rejected this argument, emphasizing that a review cannot be based solely on this principle.

#### Quick Tip

"Ex debito justitiae" allows correction of factual errors, but it is not a sufficient ground to recall a judgment under the CrPC.

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**64.** The court identified certain exceptional circumstances wherein the criminal court is empowered to alter or review its own judgment or a final order under Section 362 (CrPC). Which of the following is NOT one among them:

- (1) Such power is expressly conferred upon court by law
- (2) The court passing such a judgment or order lacked inherent jurisdiction to do so

- (3) Fact relating to non-serving of necessary party being non-represented, not brought to notice of court while passing such judgment or order
- (4) A subsequent judicial precedent renders the earlier judgment legally untenable

**Correct Answer:** (4) A subsequent judicial precedent renders the earlier judgment legally untenable

**Solution:**

The court identified that certain exceptional circumstances allow for the review of a judgment, but a subsequent judicial precedent is not one of the listed exceptions. The review is possible only when specific legal errors or jurisdictional issues are involved.

**Quick Tip**

A subsequent judicial precedent alone cannot be a reason for reviewing a judgment under Section 362 CrPC.

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**65.** In relation to exceptional circumstances identified by the court under which the embargo on criminal courts to review or alter their judgment or final order after signing under Section 362 (CrPC) would not apply, which of the following statements is correct?

- I. The exceptions are exercisable only if a ground that is raised was not available or existent at the time of original proceedings before the Court.
- II. The said power cannot be invoked as a means to circumvent the finality of the judicial process or mistakes and/or errors in the decision which are attributable to a conscious omission by the parties.

Select the most appropriate option:

- (1) Only I is correct
- (2) Only II is correct
- (3) Both I and II are correct
- (4) Both I and II are incorrect

**Correct Answer:** (3) Both I and II are correct

**Solution:**

Both statements I and II are correct. The exceptions to the embargo on reviews are only applicable if the grounds for review were not available during the original proceedings, and the power cannot be used to circumvent the finality of decisions or to correct errors due to conscious omissions.

### Quick Tip

Review powers under Section 362 CrPC are strictly limited and cannot be used to reopen cases based on grounds that were available at the time of the original proceeding.

## XIV.

A glance over all the Sections related to extortion would reveal a clear distinction being carried out between the actual commission of extortion and the process of putting a person in fear for the purpose of committing extortion.

Section 383 defines extortion, the punishment therefor is given in Section 384. Sections 386 and 388 provide for an aggravated form of extortion. These sections deal with the actual commission of an act of extortion, whereas Sections 385, 387 and 389 IPC seek to punish for an act committed for the purpose of extortion even though the act of extortion may not be complete and property not delivered. It is in the process of committing an offence that a person is put in fear of injury, death or grievous hurt. Section 387 IPC provides for a stage prior to committing extortion, which is putting a person in fear of death or grievous hurt 'in order to commit extortion', similar to Section 385 IPC. Hence, Section 387 IPC is an aggravated form of 385 IPC, not 384 IPC.

Having deliberated upon the offence of extortion and its forms, we proceed to analyze the essentials of both Sections, i.e., 383 and 387 IPC, the High Court dealt with.

[Extracted from: *Balaji Traders v. State of UP*, 2025 INSC 806]

**66.** According to the Supreme Court's analysis in the judgment, Section 387 of the Indian Penal Code (IPC) deals with:

- (1) The actual commission of the act of extortion by putting a person in fear of death or grievous hurt.
- (2) The punishment for a completed act of extortion by putting a person in fear of death or grievous hurt.
- (3) The process or stage prior to committing extortion, specifically putting or attempting to put a person in fear of death or grievous hurt in order to commit extortion.
- (4) A lesser, non-aggravated form of extortion defined in Section 383 IPC.

**Correct Answer:** (3) The process or stage prior to committing extortion, specifically putting or attempting to put a person in fear of death or grievous hurt in order to commit extortion.

### Solution:

Section 387 IPC specifically deals with the act of putting a person in fear of death or grievous hurt in order to commit extortion. It refers to the stage before the act of extortion is completed, focusing on putting the person in fear rather than the completion of extortion. Therefore, option (3) is the correct answer.

### Quick Tip

Section 387 IPC is about the process of putting a person in fear to commit extortion, not the completion of extortion itself.

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**67.** The core difference between Section 383/384 IPC (Extortion/Punishment) and Section 387 IPC (Putting person in fear of death or grievous hurt, in order to commit extortion), as established by the Supreme Court, is that:

- (1) Section 387 IPC requires the use of firearms, whereas Section 383/384 IPC does not.
- (2) Section 383/384 IPC deals with the actual commission of extortion and requires delivery of property, while Section 387 IPC deals with the process (putting a person in fear) and does not require the delivery of property.
- (3) Section 383/384 IPC is an aggravated form of Section 387 IPC.
- (4) Section 387 IPC involves only an attempt, while Section 383/384 IPC involves a completed offence.

**Correct Answer:** (2) Section 383/384 IPC deals with the actual commission of extortion and requires delivery of property, while Section 387 IPC deals with the process (putting a person in fear) and does not require the delivery of property.

### Solution:

The main difference is that Sections 383 and 384 IPC focus on the completed act of extortion, requiring the delivery of property, while Section 387 IPC addresses the stage before the act is completed—putting the victim in fear without requiring the actual delivery of property.

### Quick Tip

Section 387 IPC is concerned with the stage prior to extortion, while Sections 383 and 384 deal with the completed act of extortion.

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**68.** What is the minimum essential ingredient that the Supreme Court found prima facie disclosed in the complaint for an offence under Section 387 IPC?

- (1) The transfer of at least Rs. 5 lakhs from the complainant to the accused.
- (2) The use of rifles, a specific type of weapon.
- (3) Putting the complainant in fear of death or grievous hurt in order to commit extortion, such as by pointing a gun and demanding Rs. 5 lakhs per month.
- (4) The existence of pending litigation regarding Trademark and Copyright claims.

**Correct Answer:** (3) Putting the complainant in fear of death or grievous hurt in order to commit extortion, such as by pointing a gun and demanding Rs. 5 lakhs per month.

**Solution:**

The Supreme Court found that for an offence under Section 387 IPC, the key element is the act of putting the complainant in fear of death or grievous hurt in order to demand money. The specific case involved the complainant being threatened with a gun and demanded money.

**Quick Tip**

Section 387 IPC requires proof that the victim was put in fear of death or grievous hurt to commit extortion.

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**69.** The Supreme Court cites which of the following as a well-settled principle of law regarding the interpretation of penal statutes?

- (1) Penal statutes must be given a wide and flexible interpretation to cover all intended mischief.
- (2) Courts are competent to stretch the meaning of an expression used by the Legislature to carry out the intention of the Legislature.
- (3) If two possible and reasonable constructions can be put upon a penal provision, the Court must lean towards the construction that imposes the maximum penalty.
- (4) If two possible and reasonable constructions can be put upon a penal provision, the Court must lean towards that construction which exempts the subject from penalty rather than the one which imposes penalty.

**Correct Answer:** (4) If two possible and reasonable constructions can be put upon a penal provision, the Court must lean towards that construction which exempts the subject from penalty rather than the one which imposes penalty.

**Solution:**

The well-settled principle is that when interpreting penal statutes, if there are two reasonable constructions, the court should favor the interpretation that exempts the accused from penalty. This approach aligns with the principle of lenity in criminal law.

**Quick Tip**

In interpreting penal statutes, courts often lean towards interpretations that avoid imposing penalties when reasonable alternative constructions are available.



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**70.** The Supreme Court's final decision on the appeal filed by M/s. Balaji Traders was to:

- (1) Dismiss the appeal and uphold the High Court's quashing order.
- (2) Dismiss the appeal but modify the charge to Section 384 IPC.
- (3) Allow the appeal, set aside the High Court's order, and restore the proceedings of Complaint case to the file of the Trial Court.
- (4) Allow the appeal and transfer the case to the High Court for a fresh hearing on merits.

**Correct Answer:** (3) Allow the appeal, set aside the High Court's order, and restore the proceedings of Complaint case to the file of the Trial Court.

**Solution:**

The Supreme Court allowed the appeal filed by M/s. Balaji Traders, set aside the High Court's quashing order, and restored the proceedings of the complaint case to the Trial Court for further action.

**Quick Tip**

The Supreme Court can restore proceedings that were previously quashed by a lower court if it finds that the decision was erroneous.

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**XV.**

The reference essentially raises the following issue: whether a child who is conferred with legislative legitimacy under Section 16(1) or 16(2) is, by reason of Section 16(3), entitled to the ancestral/coparcenary property of the parents or is the child merely entitled to the self-earned/separate property of the parents. The questions that arise before us are - first, whether the legislative intent is to confer legitimacy on a child covered by Section 16 in a manner that makes them coparceners, and thus entitled to initiate or get a share in the partition - actual or notional; second, at what point does a specific property transition into becoming the property of the parent. For, it is solely within such property that children endowed with legislative legitimacy hold entitlement, in accordance with Section 16(3).[...] Holding that the consequence of legitimacy under sub-sections (1) or (2) of Section 16 is to place such an individual on an equal footing as a coparcener in the coparcenary would be contrary to the plain intendment of sub-section (3) of Section 16 of the HMA 1955 which recognises rights to or in the property only of the parents. In fact, the use of language in the negative by Section 16(3) places the position beyond the pale of doubt. We would therefore have to hold that when an individual falls within the protective ambit of sub-section (1) or sub-section (2) of Section 16, they would be entitled to rights in or to the absolute property of the parents and no other person.

[Extracted from: Revanasiddappa & Anr v Mallikarjun 2023 INSC 783]

**71.** When a Hindu Mitakshara coparcener, who has a child legitimised under section 16 of the Hindu Marriage Act 1955, dies intestate, after the 2005 Amendment of the Hindu Succession Act, 1956, what is the legal mechanism that determines the child's share in the parent's interest in the coparcenary property?

- (1) The child becomes a coparcener by birth, and the entire coparcenary property is divided equally amongst all the coparceners.
- (2) The parent's interest devolves by traditional rule of survivorship, and the section 16 child receives no share.
- (3) The parent's interest is first determined through a notional partition immediately before death under section 6 (3) of Hindu Succession Act 1956 and this determined share then devolves by intestate succession to all the deceased's children (including the section 16 child) under section 8/10 of Hindu Succession Act 1956.
- (4) The share of section 16 child is limited to receiving maintenance from the joint family estate.

**Correct Answer:** (3) The parent's interest is first determined through a notional partition immediately before death under section 6 (3) of Hindu Succession Act 1956 and this determined share then devolves by intestate succession to all the deceased's children (including the section 16 child) under section 8/10 of Hindu Succession Act 1956.

**Solution:**

After the 2005 amendment of the Hindu Succession Act, 1956, the deceased's interest in the coparcenary property is first determined through a notional partition immediately before death under section 6(3). This determined share then devolves by intestate succession to the children, including the section 16 child. Therefore, option (3) is correct.

**Quick Tip**

Section 6(3) of the Hindu Succession Act 1956 requires a notional partition to be done before death in case of coparcenary property, and the share then devolves on the children by intestate succession.

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**72.** From the decisions rendered by the Supreme Court on this issue, which of the following correctly states the legal position of a child conferred with legitimacy under section 16 of the Hindu Marriage Act?

- (1) Such a child is a coparcener.
- (2) Such a child is not a coparcener.
- (3) Such a child is a coparcener, and has the power to seek partition of coparcenary property.
- (4) Such a child is a coparcener, but does not have the power to seek partition of coparcenary property.

**Correct Answer:** (4) Such a child is a coparcener, but does not have the power to seek partition of coparcenary property.

**Solution:**

The Supreme Court clarified that a child legitimized under Section 16 of the Hindu Marriage Act is a coparcener, but they do not have the power to seek partition of coparcenary property. This decision aligns with the legislative intent outlined in Section 16. Thus, option (4) is the correct answer.

**Quick Tip**

A child conferred legitimacy under Section 16 of the Hindu Marriage Act is a coparcener but lacks the power to seek partition of the coparcenary property.

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**73.** Consider the following statements:

- I. A child born out of a null and void marriage is considered as legitimate by law.
- II. Conferment of legitimacy is irrespective of whether such child was born before or after the commencement of the Amending Act 1976.

Select the most appropriate option:

- (1) Only I is correct.
- (2) Only II is correct.
- (3) Both I and II are correct.
- (4) Both I and II are incorrect.

**Correct Answer:** (2) Only II is correct.

**Solution:**

Statement I is incorrect because a child born out of a null and void marriage is not considered legitimate by law unless the child is conferred legitimacy under Section 16 of the Hindu Marriage Act. Statement II is correct, as the conferment of legitimacy applies irrespective of whether the child was born before or after the Amending Act 1976. Thus, option (2) is correct.

**Quick Tip**

Legitimacy under Section 16 applies regardless of whether the child was born before or after the 1976 Amendment, but a child from a null and void marriage is not automatically legitimate.

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**74.** Which of the following statements is correct in relation to the property rights of children from void/voidable marriages?

- (1) Such a child can ask for partition of coparcenary property.
- (2) Such a child can claim share in their own right in the undivided coparcenary property of his parents.
- (3) Such a child has rights only to self-acquired property of his parents.
- (4) Such a child cannot ask for partition of coparcenary property.

**Correct Answer:** (4) Such a child cannot ask for partition of coparcenary property.

**Solution:**

A child from a void or voidable marriage does not have the right to claim partition of the coparcenary property. However, they may have rights to their parents' self-acquired property. Hence, option (4) is the correct answer.

**Quick Tip**

Children from void or voidable marriages generally cannot ask for partition of coparcenary property, though they may have rights to self-acquired property.

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**75.** Which of the following best summarises the conclusion reached by the Supreme Court regarding children conferred with legitimacy under Section 16 under the Hindu Marriage Act?

- (1) Such children are entitled to coparcenary rights in the ancestral property to their parents, equal to children born within a valid marriage.
- (2) Such children are entitled only to the self-acquired or separate property of their parents, and not to ancestral/coparcenary property.
- (3) Such children are entitled to inherit property only if no legitimate heirs exist from a valid marriage.
- (4) Such children have no rights in any property of the parents, whether self-acquired or ancestral.

**Correct Answer:** (1) Such children are entitled to coparcenary rights in the ancestral property to their parents, equal to children born within a valid marriage.

**Solution:**

The Supreme Court concluded that children conferred legitimacy under Section 16 of the Hindu Marriage Act have equal rights in ancestral/coparcenary property as children born within a valid

marriage. Therefore, option (1) is the correct answer.

#### Quick Tip

Children conferred legitimacy under Section 16 are entitled to the same coparcenary rights in ancestral property as legitimate children born from valid marriages.

## XVI.

Live-in relationship, as such, as already indicated, is a relationship which has not been socially accepted in India, unlike many other countries. In *Lata Singh v. State of U.P.* [2006] 5 SCC 475 : (2006) 2 SCC (Cri) 478] it was observed that a live-in relationship between two consenting adults of heterosexual sex does not amount to any offence even though it may be perceived as immoral. However, in order to provide a remedy in civil law for protection of women, from being victims of such relationship, and to prevent the occurrence of domestic violence in the society, first time in India, the DV Act has been enacted to cover the couple having relationship in the nature of marriage, persons related by consanguinity, marriages, etc. We have few other legislations also where reliefs have been provided to woman placed in certain vulnerable situations. Section 125 CrPC, of course, provides for maintenance of a destitute wife and Section 498-A IPC is related to mental cruelty inflicted on women by her husband and in-laws. Section 304-B IPC deals with the cases relating to dowry death. The Dowry Prohibition Act, 1961 was enacted to deal with the cases of dowry demands by the husband and family members. The Hindu Adoptions and Maintenance Act, 1956 provides for grant of maintenance to a legally wedded Hindu wife, and also deals with rules for adoption. The Hindu Marriage Act, 1955 refers to the provisions dealing with solemnisation of marriage also deals with the provisions for divorce. For the first time, though, the DV Act, Parliament has recognised a “relationship in the nature of marriage” and not a live-in relationship simpler. We have already stated, when we examine whether a relationship will fall within the expression “relationship in the nature of marriage” within the meaning of Section 2(f) of the DV Act, we should have a close analysis of the entire relationship. Invariably, it may be a question of fact and degree, whether a relationship between two unrelated persons of the opposite sex meets the tests judicially evolved.

[Extracted with edits and revisions from *Indra Sarma v. V.K.V. Sarma*, 2013) 15 SCC 755]

**76.** What is the scope of analysis required to determine if a relationship falls within the expression “relationship in the nature of marriage” under Section 2(f) of the DV Act?

- (1) Considering the number of children born in a live in relationship.
- (2) Considering only the cohabitation period of the relationship and their emotional connectivity.
- (3) Conducting a close analysis of the entire interpersonal relationship, taking into account all facets.
- (4) Evaluating only the financial aspects and mutual agreements of the relationship, and if there is any written agreement between the partner.

**Correct Answer:** (3) Conducting a close analysis of the entire interpersonal relationship, taking into account all facets.

**Solution:**

To determine if a relationship falls within the expression “relationship in the nature of marriage” under Section 2(f) of the DV Act, the court conducts a close analysis of the entire interpersonal relationship, considering factors such as cohabitation, emotional bond, and mutual dependence, not just specific aspects like financial arrangements or children born. Therefore, option (3) is correct.

**Quick Tip**

A comprehensive examination of the entire relationship, including emotional, social, and legal aspects, is required under Section 2(f) of the DV Act.

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**77.** In which of the following cases, the Supreme Court read down the word “adult male” in Section 2(q) of the Protection of Women from Domestic Violence Act, 2005?

- (1) Indra Sarma v. V.K.V. Sarma (2013) 15 SCC 755)
- (2) Hiral P Harsora v. Kusum Harsora, (Manu/SC/1269/2016)
- (3) Uma Narayanan v. Priya Krishna Prasad, (Laws (Mad) 2008-8-28)
- (4) D Velusamy v. D Patchaiammal (AIR 2011 SC 479)

**Correct Answer:** (1) Indra Sarma v. V.K.V. Sarma (2013) 15 SCC 755)

**Solution:**

In the case of Indra Sarma v. V.K.V. Sarma, the Supreme Court read down the word “adult male” in Section 2(q) of the Protection of Women from Domestic Violence Act, 2005, thus expanding the scope of the law to include individuals other than just adult males. Thus, option (1) is correct.

**Quick Tip**

The Supreme Court in Indra Sarma case expanded the meaning of “adult male” to include individuals in domestic relationships under the Protection of Women from Domestic Violence Act, 2005.

**78.** As per section 20 of the Protection of Women from Domestic Violence Act, 2005, while disposing of an application under Section 12(1), the Magistrate may direct the respondent to pay monetary relief to the aggrieved person so that the aggrieved person can:

- (1) Live a life that meets at least the bare minimum needs for survival and basic well-being.
- (2) Live a life that is consistent with her standard of living which she is accustomed.
- (3) Live a life that is consistent with her parent's standard of living.
- (4) Live a life which can cover her medical expenses and expenses incurred due to litigation of domestic violence.

**Correct Answer:** (2) Live a life that is consistent with her standard of living which she is accustomed.

**Solution:**

Section 20 of the Protection of Women from Domestic Violence Act, 2005 allows the Magistrate to direct monetary relief so that the aggrieved person can maintain a life consistent with the standard of living they were accustomed to. This includes covering necessary expenses and ensuring they are not deprived of their previous standard of living. Therefore, option (2) is correct.

**Quick Tip**

Monetary relief under Section 20 of the DV Act is intended to maintain the aggrieved person's standard of living as it was before the domestic violence occurred.

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**79.** In which case, the three judge bench of the Hon'ble Supreme Court has recently interpreted the term "shared household" and has held that "... lives or at any stage has lived in a domestic relationship..." have to be given its normal and purposeful meaning. The living of woman in a household has to refer to a living which has some permanency. Mere fleeting or casual living at different places shall not make a shared household.

- (1) Satish Chander Ahuja v. Sneha Ahuja, AIR 2020 SC 2483
- (2) Rupa Ashok Hurra v. Ashok Hurra AIR 2002 SC 177
- (3) S.R. Batra v. Tarun Batra (2007) 3 SCC 169
- (4) B.R. Mehta Vs. Atma Devi (1987) 4 SCC 183

**Correct Answer:** (1) Satish Chander Ahuja v. Sneha Ahuja, AIR 2020 SC 2483

**Solution:**

In the case of Satish Chander Ahuja v. Sneha Ahuja, AIR 2020 SC 2483, the Supreme Court clarified the interpretation of "shared household," emphasizing that it must refer to a living

situation that has permanency, not just a fleeting or casual stay. Thus, option (1) is the correct answer.

#### Quick Tip

The term "shared household" requires a relationship with permanency, not just a temporary or casual living arrangement.

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**80.** Under Indian Law, can a woman in a live in relationship claim maintenance under Section 125, CrPC despite not being a legally wedded wife?

(1) No, as per the interpretation of statute 'wife' means legally wedded wife and includes who has been divorced by, or has obtained a divorce from her husband.

(2) Yes, a woman in a live in relationship can claim maintenance u/s 125, CrPC as strict proof of marriage is not necessary and maintenance cannot be denied if evidence suggests cohabitation.

(3) A woman in live in relationship can only claim maintenance if she has been cohabiting for more than five years and dependent children from the relationship.

(4) A woman in live in relationship can claim maintenance only through a civil suit as the protection of women from domestic violence act 2005 (PWDVA) does not apply to live in relationships.

**Correct Answer:** (2) Yes, a woman in a live in relationship can claim maintenance u/s 125, CrPC as strict proof of marriage is not necessary and maintenance cannot be denied if evidence suggests cohabitation.

#### Solution:

Under Section 125 of the CrPC, a woman in a live-in relationship can claim maintenance, even if she is not a legally wedded wife, as long as there is evidence of cohabitation. Strict proof of marriage is not required. Thus, option (2) is the correct answer.

#### Quick Tip

Maintenance under Section 125, CrPC can be granted to a woman in a live-in relationship if there is evidence of cohabitation, even without proof of marriage.

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## XVII.

Section 2(47) of the Income Tax Act, 1961, which is an inclusive definition, inter alia, provides



that relinquishment of an asset or extinguishment of any right therein amounts to a transfer of a capital asset. While the taxpayer continues to remain a shareholder of the company even with the reduction of share capital, it could not be accepted that there was no extinguishment of any part of his right as a shareholder qua the company.

A company under Section 66 of the Companies Act, 2013 has a right to reduce the share capital and one of the modes which could be adopted is to reduce the face value of the preference share.

When as a result of reducing the face value of the share, the share capital is reduced, the right of the preference shareholder to the dividend or his share capital and the right to share in the distribution of the net assets upon liquidation is extinguished proportionately to the extent of reduction in the capital. Such a reduction of the right of the capital asset clearly amounts to a transfer within the meaning of section 2(47) of the Income Tax Act, 1961.

[Extracted with edits and revisions from Principal Commissioner of Income Tax v. Jupiter Capital Pvt Ltd., (2025 INSC 38)]

**81.** What was the core issue before the Supreme Court in this Special Leave Petition filed by the Income Tax Department?

- (1) Whether the assessee's claim for a long-term capital gain was correctly disallowed by the Assessing Officer.
- (2) Whether the reduction in the number of shares due to a reduction in share capital amounted to a "transfer" under Section 2(47) of the Income Tax Act, 1961, allowing for a capital loss claim.
- (3) Whether the High Court of Karnataka correctly relied on the decision of Anarkali Sarabhai v. CIT.
- (4) Whether the face value of the shares remaining the same after the reduction nullified the claim of capital loss.

**Correct Answer:** (2) Whether the reduction in the number of shares due to a reduction in share capital amounted to a "transfer" under Section 2(47) of the Income Tax Act, 1961, allowing for a capital loss claim.

**Solution:**

The core issue before the Supreme Court was whether the reduction in the number of shares due to a reduction in share capital amounts to a "transfer" under Section 2(47) of the Income Tax Act, 1961, thereby allowing the taxpayer to claim a capital loss. Therefore, option (2) is correct.

**Quick Tip**

The reduction in share capital that proportionately extinguishes shareholder rights can amount to a transfer for capital gains purposes under Section 2(47).

**82.** According to the Supreme Court, why does a reduction in share capital that proportionately reduces a shareholder's rights amount to a "transfer" under Section 2(47) of the Income Tax Act, 1961?

- (1) Because the shareholder's voting percentage remains constant, which is a form of continuous transfer.
- (2) Because it involves a sale or exchange of the capital asset to another party.
- (3) Because it is covered under the inclusive definition of "transfer" as an extinguishment of any rights in the capital asset.
- (4) Because the face value of the shares remains unchanged, constituting a deemed transfer.

**Correct Answer:** (3) Because it is covered under the inclusive definition of "transfer" as an extinguishment of any rights in the capital asset.

**Solution:**

The Supreme Court held that the reduction in share capital, which proportionately extinguishes a shareholder's rights, qualifies as a "transfer" under Section 2(47) of the Income Tax Act, 1961, as it is defined as an extinguishment of any rights in the capital asset. Thus, option (3) is correct.

**Quick Tip**

Under Section 2(47) of the Income Tax Act, a reduction in share capital that extinguishes rights in the capital asset qualifies as a transfer.

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**83.** The Supreme Court clarified a principle regarding the computation of capital gains/loss under Section 48 of the Income Tax Act. What was this clarification?

- (1) That the reduction of share capital must result in a change in the percentage of shareholding.
- (2) That the face value of the shares must be reduced for the transfer to be valid.
- (3) That the transfer must be a sale or relinquishment, and not merely an extinguishment of rights.
- (4) That receipt of some consideration in lieu of the extinguishment of rights is not a condition precedent for the computation of capital gains/loss.

**Correct Answer:** (4) That receipt of some consideration in lieu of the extinguishment of rights is not a condition precedent for the computation of capital gains/loss.

**Solution:**

The Supreme Court clarified that for the computation of capital gains/loss, the receipt of consideration is not required in cases where rights in the capital asset are extinguished. Thus,

option (4) is correct.

#### Quick Tip

For capital gains/loss computation under Section 48, consideration is not a prerequisite when rights in a capital asset are extinguished.

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**84.** The Supreme Court, in its summary of the principles from *Kartikeya V. Sarabhai*, stated that the right of a preference shareholder is extinguished proportionately to the extent of the capital reduction. Which of the following two specific rights were mentioned as being extinguished?

- (1) Right to voting power and right to attend general meetings.
- (2) Right to proportional share of debt and right to appoint directors.
- (3) Right to dividend/share capital and right to share in the distribution of net assets upon liquidation.
- (4) Right to face value of the share and right to receive consideration.

**Correct Answer:** (3) Right to dividend/share capital and right to share in the distribution of net assets upon liquidation.

#### Solution:

The Supreme Court stated that the rights of a preference shareholder that are extinguished due to capital reduction include the right to dividends, share capital, and the right to share in the distribution of net assets upon liquidation. Thus, option (3) is correct.

#### Quick Tip

Reduction in share capital extinguishes the preference shareholder's rights to dividend, share capital, and distribution of net assets upon liquidation.

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**85.** The Supreme Court emphasized that the expression "extinguishment of any right therein" is of wide import. What does this expression cover?

- (1) Only transactions involving the sale or exchange of tangible capital assets.
- (2) Only transactions resulting in the destruction, annihilation, or extinction of the entire capital asset.

- (3) Every possible transaction that results in the destruction, annihilation, extinction, termination, cessation, or cancellation of all or any of the bundle of rights—qualitative or quantitative—that the assessee has in a capital asset.
- (4) Only transactions where the face value of the shares is compulsorily reduced by a court order.

**Correct Answer:** (3) Every possible transaction that results in the destruction, annihilation, extinction, termination, cessation, or cancellation of all or any of the bundle of rights—qualitative or quantitative—that the assessee has in a capital asset.

**Solution:**

The Supreme Court emphasized that the expression "extinguishment of any right therein" covers all transactions that lead to the destruction, termination, or cancellation of any rights, whether qualitative or quantitative, that the taxpayer has in a capital asset. Thus, option (3) is correct.

**Quick Tip**

"Extinguishment of rights" under Section 2(47) of the Income Tax Act includes any transaction that results in the loss of any rights associated with a capital asset.

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**XVIII.**

During Bentham's lifetime, revolutions occurred in the American colonies and in France, producing the Bill of Rights and the *Déclaration des Droits de l'Homme* (Declaration of the Rights of Man), both of which were based on liberty, equality, and self-determination. Karl Marx and Friedrich Engels published *The Communist Manifesto* in 1848. Revolutionary movements broke out that year in France, Italy, Austria, Poland, and elsewhere. In addition, the Industrial Revolution transformed Great Britain and eventually the rest of Europe from an agrarian (farm-based) society into an industrial one, in which steam and coal increased manufacturing production dramatically, changing the nature of work, property ownership, and family. This period also included advances in chemistry, astronomy, navigation, human anatomy, and immunology, among other sciences.

Given this historical context, it is understandable that Bentham used reason and science to explain human behaviour. His ethical system was an attempt to quantify happiness and the good so they would meet the conditions of the scientific method. Ethics had to be empirical, quantifiable, verifiable, and reproducible across time and space. Just as science was beginning to understand the workings of cause and effect in the body, so ethics would explain the causal relationships of the mind. Bentham rejected religious authority and wrote a rebuttal to the Declaration of Independence in which he railed against natural rights as "rhetorical nonsense, nonsense upon stilts." Instead, the fundamental unit of human action for him was utility—solid, certain, and factual.

What is utility? Bentham's fundamental axiom, which underlies utilitarianism, was that all social morals and government legislation should aim for producing the greatest happiness for the greatest number of people. Utilitarianism, therefore, emphasizes the consequences or ultimate purpose of an act rather than the character of the actor, the actor's motivation, or the particular circumstances surrounding the act. It has these characteristics: (1) universality, because it applies to all acts of human behaviour, even those that appear to be done from altruistic motives; (2) objectivity, meaning it operates beyond individual thought, desire, and perspective; (3) rationality, because it is not based in metaphysics or theology; and (4) quantifiability in its reliance on utility. (353 words)

[Extracted from Michael Quinn, "Jeremy Bentham, 'The Psychology of Economic Man,' and Behavioural Economics," *Oeconomica* 6, no. 1 (2016): 3–32]

**86.** According to the text, what did Bentham consider the fundamental unit of human action, replacing concepts like natural rights?

- (1) Liberty
- (2) Self-determination
- (3) Utility
- (4) Happiness for the greatest number

**Correct Answer:** (3) Utility

**Solution:**

Bentham's ethical system placed the concept of utility at the core of human action, replacing traditional concepts like natural rights. Thus, option (3) is correct.

**Quick Tip**

Bentham argued that utility, or the greatest happiness principle, is the fundamental unit of human action, superseding natural rights.

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**87.** Which of the following is identified as Bentham's fundamental axiom underlying utilitarianism?

- (1) Ethics must be empirical, quantifiable, and reproducible.
- (2) Utility must be used to reject religious authority.
- (3) All social morals and government legislation should aim for producing the greatest happiness for the greatest number of people.
- (4) The character of the actor is the most important aspect of an ethical act.

**Correct Answer:** (3) All social morals and government legislation should aim for producing the greatest happiness for the greatest number of people.

**Solution:**

Bentham's fundamental axiom, which underpins his utilitarian philosophy, is that all morals and legislation should aim to achieve the greatest happiness for the greatest number. This is the basis of utilitarianism. Therefore, option (3) is correct.

**Quick Tip**

Utilitarianism's key axiom is to maximize happiness for the greatest number of people, guiding both morals and legislation.

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**88.** Utilitarianism, as described in the text, emphasizes which aspect of an act over the others listed?

- (1) The character of the actor
- (2) The actor's motivation
- (3) The particular circumstances surrounding the act
- (4) The consequences or ultimate purpose of an act

**Correct Answer:** (4) The consequences or ultimate purpose of an act

**Solution:**

Utilitarianism places importance on the consequences or ultimate purpose of an act, rather than the character of the actor, motivation, or surrounding circumstances. Thus, option (4) is correct.

**Quick Tip**

In utilitarianism, the focus is on the consequences or ultimate purpose of actions, not on the actor's character or motivation.

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**89.** The characteristic of utilitarianism that operates beyond individual thought, desire, and perspective is called:

- (1) Universality
- (2) Quantifiability

- (3) Rationality
- (4) Objectivity

**Correct Answer:** (4) Objectivity

**Solution:**

Utilitarianism emphasizes objectivity, as it operates beyond individual thought, desire, and perspective, focusing on the greatest good. Thus, option (4) is correct.

**Quick Tip**

Utilitarianism is objective, meaning it operates beyond personal biases and focuses on universal principles of good.

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**90.** Bentham's ethical system attempted to quantify happiness and the good to meet the conditions of the scientific method, which required ethics to be all of the following except:

- (1) Empirical
- (2) Verifiable
- (3) Theological
- (4) Quantifiable

**Correct Answer:** (3) Theological

**Solution:**

Bentham's ethical system sought to make ethics empirical, verifiable, and quantifiable, but it did not rely on theological or religious principles. Thus, option (3) is correct.

**Quick Tip**

Bentham's ethics aimed to be empirical, verifiable, and quantifiable, but not theological.

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**XIX.**

"We hold these truths to be self-evident: that all men are created equal and are endowed by their Creator with certain inalienable rights".

This statement, in spite of literal inaccuracy in its every phrase, served the purpose for which it was written. It expressed an aspiration, and it was a fighting slogan. In order that slogans may

serve their purpose, it is necessary that they shall arouse strong emotional belief, but it is not at all necessary that they shall be literally accurate. A large part of each human being's time on earth is spent in declaiming about his "rights," asserting their existence, complaining of their violation, describing them as present or future, vested or contingent, absolute or conditional, perfect or inchoate, alienable or inalienable, legal or equitable, in rem or in personam, primary or secondary, moral or jural (legal), inherent or acquired, natural or artificial, human or divine. No doubt still other adjectives are available. Each one expresses some idea, but not always the same idea even when used twice by one and the same person.

They all need definition in the interest of understanding and peace. In his table of correlatives, Hohfeld set "right" over against "duty" as its necessary correlative. This had been done numberless times by other men. He also carefully distinguished it from the concepts expressed in his table by the terms "privilege," "power," and "immunity." To the present writer, the value of his work seems beyond question and the practical convenience of his classification is convincing. However, the adoption of Hohfeld's classification and the correlating of the terms "right" and "duty" do not complete the work of classification and definition.

[Extracted from Arthur L Corbin, Rights and Duties, 33 Yale LJ 501(1923)]

**91.** The author suggests that the statement "all men are created equal and are endowed by their Creator with certain inalienable rights" was effective primarily because:

- (1) It accurately reflects the literal truth of human existence and legal principles.
- (2) It provided a comprehensive legal definition of natural rights.
- (3) Its emotional and aspirational content made it a successful "fighting slogan."
- (4) It meticulously categorized rights using precise jural (legal) terminology.

**Correct Answer:** (3) Its emotional and aspirational content made it a successful "fighting slogan."

**Solution:**

The author explains that while the statement may not be literally accurate, its emotional appeal and aspirational message made it an effective "fighting slogan." Thus, option (3) is correct.

**Quick Tip**

In rhetoric, slogans can be more effective due to emotional and aspirational content, even if they lack literal accuracy.

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**92.** Based on the passage, the primary problem the author identifies with the current discourse surrounding "rights" is the:



- (1) Lack of a comprehensive list of all possible rights.
- (2) Failure of historical documents to be literally accurate.
- (3) Proliferation of undefined and inconsistently used qualifying adjectives.
- (4) Over reliance on Hohfeld's narrow and incomplete classification system.

**Correct Answer:** (3) Proliferation of undefined and inconsistently used qualifying adjectives.

**Solution:**

The author highlights that the use of undefined and inconsistently applied adjectives in the discourse surrounding "rights" leads to confusion and ambiguity. Thus, option (3) is correct.

**Quick Tip**

The discourse on "rights" suffers from ambiguity due to inconsistent use of qualifying adjectives, requiring more precise definitions.

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**93.** The author's view of Hohfeld's contribution to legal scholarship can best be described as:

- (1) Essential but ultimately incomplete in fully defining and classifying "rights."
- (2) Flawed because it failed to distinguish "right" from "duty" effectively.
- (3) Irrelevant, as his classification uses confusing and difficult jargon.
- (4) Sufficiently exhaustive to complete the work of definition and classification.

**Correct Answer:** (1) Essential but ultimately incomplete in fully defining and classifying "rights."

**Solution:**

The author acknowledges Hohfeld's work as essential for legal scholarship but ultimately sees it as incomplete, particularly in fully defining and classifying "rights." Thus, option (1) is correct.

**Quick Tip**

While Hohfeld's work was groundbreaking, it did not complete the full classification of "rights" and "duties" within legal contexts.

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**94.** The phrase "literal inaccuracy in its every phrase" is used by the author to critique the Declaration's statement, suggesting a conflict between its rhetorical power and its:

- (1) Emotional resonance for revolutionaries.
- (2) Utility as a means for legislative action.
- (3) Precision as a statement of verifiable facts or legal principles.
- (4) Acceptance by religious authority and the Creator.

**Correct Answer:** (3) Precision as a statement of verifiable facts or legal principles.

**Solution:**

The author critiques the "literal inaccuracy" in the Declaration, noting the conflict between its emotional and aspirational nature and the need for precision in legal or factual statements. Thus, option (3) is correct.

**Quick Tip**

The critique of "literal inaccuracy" highlights the gap between emotional appeal and the requirement for precision in legal documents.

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**95.** Which concept from Hohfeld's table of correlatives is not explicitly mentioned in the passage as a concept "right" was distinguished from?

- (1) Duty
- (2) Privilege
- (3) Immunity
- (4) Disability

**Correct Answer:** (4) Disability

**Solution:**

In the passage, the author mentions that Hohfeld distinguished "right" from "duty," "privilege," "power," and "immunity," but does not explicitly mention "disability." Thus, option (4) is correct.

**Quick Tip**

Hohfeld's classification distinguishes rights from various terms, but "disability" is not explicitly mentioned in the passage.

## XX.

The International Law Commission (ILC), in compliance with General Assembly resolution 177 (II), was directed to "formulate the principles of international law recognized in the Charter of the Nuremberg Tribunal and in the judgment of the Tribunal". The ILC's task was to merely formulate the principles not to express an appreciation of them as principles of International law since they had already been affirmed by the General Assembly.

At its second session in 1950, the ILC adopted a formulation of seven Principles of International Law recognized in the Charter and Judgment of the Nuremberg Tribunal.

\* **Principle I** : Any person who commits an act which constitutes a crime under international law is responsible therefor and liable to punishment. This is based on the general rule that international law may impose duties directly on individuals.

\* **Principle II** : The fact that internal law does not impose a penalty for an international crime does not relieve the person who committed the act from international responsibility. This implies the "supremacy" of international law over national law.

\* **Principle III** : The fact that a person acted as Head of State or responsible Government official does not relieve him from responsibility under international law.

\* **Principle IV** : Acting pursuant to an order of his Government or of a superior does not relieve him from responsibility, provided a moral choice was in fact possible to him.

\* **Principle V** : Any person charged with a crime under international law has the right to a fair trial on the facts and law.

\* **Principle VI** : sets out the crimes punishable under international law:

\* **Crimes against peace** : Includes planning, preparation, initiation, or waging of a war of aggression or a war in violation of international treaties, as well as participation in a conspiracy for these acts. The ILC understands the term "waging of a war of aggression" to refer only to high-ranking military personnel and high State officials. The Tribunal affirmed the illegality of aggressive war based on the Kellogg-Briand Pact.

\* **War crimes** : Violations of the laws or customs of war, such as murder, ill-treatment, deportation, killing of hostages, and plunder.

\* **Crimes against humanity** : Murder, extermination, enslavement, deportation, and other inhuman acts or persecutions on political, racial, or religious grounds, when done in execution of or in connection with a crime against peace or a war crime. These acts may constitute crimes against humanity even if committed by the perpetrator against their own population.

\* **Principle VII** : Complicity in the commission of any of the crimes listed in Principle VI is a crime under international law.

The ILC also considered the General Assembly's invitation to study the desirability and pos-

sibility of establishing an international judicial organ for the trial of persons charged with genocide or other crimes. While some members questioned its effectiveness, particularly for grave international crimes, others argued that the creation of such a jurisdiction was desirable as an effective contribution to world peace and security, serving as a deterrent against aggressors.

[Summary of the Principles of International Law recognized in the Charter of the Nuremberg Tribunal and in the Judgment of the Tribunal, with commentaries 1950 based on the Text adopted by the International Law Commission at its second session, in 1950]

**96.** The International Law Commission (ILC) concluded that its task, as directed by General Assembly resolution 177 (II), was primarily:

- (1) To determine the extent to which the Nuremberg principles constituted principles of international law.
- (2) To formulate the Nuremberg principles, without expressing an appreciation of their status as principles of international law.
- (3) To assess whether the Charter and judgment were already an expression of positive international law at the time of the Tribunal's establishment.
- (4) To formulate the general principles of law on which the provisions of the Charter and the Tribunal's decisions were based.

**Correct Answer:** (2) To formulate the Nuremberg principles, without expressing an appreciation of their status as principles of international law.

**Solution:**

The ILC's task, as stated in the passage, was to formulate the Nuremberg principles without expressing an opinion on their status as principles of international law. Therefore, option (2) is correct.

**Quick Tip**

The ILC was tasked with formulating the principles without making a judgment on their status as established principles of international law.

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**97.** Principle IV of the Nuremberg Principles concerning superior orders, differs from Article 8 of the Charter of the Nuremberg Tribunal by:

- (1) Narrowing the application of the principle to exclude high State officials.
- (2) Adding the condition that "a moral choice was in fact possible" to the accused.
- (3) Eliminating the reference to the order being considered in mitigation of punishment.
- (4) Formulating the principle in general terms, unlike the Charter's specific context.

**Correct Answer:** (2) Adding the condition that "a moral choice was in fact possible" to the accused.

**Solution:**

Principle IV explicitly adds the condition that the accused must have had a "moral choice" in following superior orders, a provision not included in Article 8 of the Nuremberg Tribunal Charter. Therefore, option (2) is correct.

**Quick Tip**

Principle IV includes the key condition that the accused had a moral choice, which was not a part of Article 8 of the Nuremberg Tribunal Charter.

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**98.** The Tribunal, in its judgment, was constrained from making a general declaration that the acts of persecution and murder committed in Germany before 1939 were "crimes against humanity" primarily because:

- (1) Persecution on political, racial, or religious grounds was not yet recognized as an international crime.
- (2) It could not be satisfactorily proved that these acts were committed in execution of, or in connection with, a crime within the Tribunal's jurisdiction.
- (3) The definition of crimes against humanity in the Charter explicitly excluded acts committed before the outbreak of the war.
- (4) International law at the time imposed duties only on States, not on individuals, for these types of crimes.

**Correct Answer:** (2) It could not be satisfactorily proved that these acts were committed in execution of, or in connection with, a crime within the Tribunal's jurisdiction.

**Solution:**

The Tribunal could not make a general declaration about the acts committed in Germany before 1939 because it could not prove that these acts were linked to a crime under its jurisdiction. Thus, option (2) is correct.

**Quick Tip**

The Tribunal's judgment was constrained by the inability to link the crimes committed before 1939 to the Tribunal's jurisdiction over international crimes.

**99.** In formulating Principle VI (a), the ILC clarified the term "waging of a war of aggression" because:

- (1) The Charter of the Tribunal had no definition of "war of aggression".
- (2) Members feared that every combatant in uniform might be charged with the crime.
- (3) The Tribunal had not made a clear distinction between "planning" and preparation".
- (4) The General Assembly had requested a more precise definition for use in future conventions.

**Correct Answer:** (4) The General Assembly had requested a more precise definition for use in future conventions.

**Solution:**

The ILC's clarification of "waging a war of aggression" in Principle VI (a) was driven by the General Assembly's request for a more precise definition for use in future legal frameworks. Thus, option (4) is correct.

**Quick Tip**

The ILC refined the definition of "waging a war of aggression" at the request of the General Assembly for future conventions.

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**100.** The debate within the International Law Commission regarding the creation of an international judicial organ (Part IV) centered on the following contrasting positions:

- (1) Whether the judicial organ should be created only for the trial of persons charged with genocide versus all international crimes.
- (2) Whether the creation of the organ required an amendment to the Charter of the United Nations versus being possible through a convention open to all States.
- (3) Whether the establishment of the organ was desirable and possible versus being undesirable due to its likely ineffectiveness against grave international crimes.
- (4) Whether an international criminal court should have a deterrent effect versus serving only to ensure the rule of law in the community of States.

**Correct Answer:** (3) Whether the establishment of the organ was desirable and possible versus being undesirable due to its likely ineffectiveness against grave international crimes.

**Solution:**

The ILC debated whether the establishment of an international judicial organ was desirable and possible, with some members questioning its effectiveness against grave international crimes. Thus, option (3) is correct.

### Quick Tip

The debate in the ILC focused on the desirability and feasibility of creating a judicial organ to address grave international crimes.

## XXI.

The document presents a critique of the United Nations (UN) organization, arguing that it has failed to carry out its charter-mandated tasks, specifically to "maintain international peace and security" and "to achieve international cooperation" in solving global problems. The author notes growing public frustration with catastrophic humanitarian situations and the failure of peace-keeping operations, leading to widespread skepticism about the possibility of "revitalization". UN Reform Approaches Discussions on UN reform are divided into two main categories: the conservative approach and the radical approach.

1. **Conservative Approach:** The conservative view considers the existing Charter "practically untouchable" and believes in improving "collective security" as defined in Chapter VII. Key positions include: US Position: Prioritizes its own interests, supports better management and the creation of an Inspector General, favours enlarging the Security Council (to include Germany and Japan, mainly for financing peace-keeping), and associates the UN with regional organizations like NATO for peace enforcement. The US remains reluctant to allow full application of Chapter VII and views collective security restrictively.

**Secretary-General's Position (Boutros Ghali):** Advocated for the full implementation of 'collective security' as envisaged in 1945, including the use of the Military Staff Committee (Article 47) and the conclusion of special agreements (Article 43) for providing armed forces. He also proposed 'peace enforcement units' under the command of the Secretary-General and wider use of 'preventive diplomacy'. The report candidly recognized the Security Council's incapacity to deal with threats from a major power.

2. **Radical Approach:** The radical approach criticizes the principles of the present system and proposes an overhaul. It reflects increasing doubts about the value of the Charter's collective security system, especially in intra-State conflicts. Radical proposals include: \* Establishing an Economic Security Council. \* Modifying the Charter with less reluctance. \* Reforming the IMF and World Bank. \* Developing a new global security system (e.g., regional models like CSCE/CSCM). \* The creation of a consultative parliamentary assembly at the world level.

**Future Outlook:** The author asserts that no major or minor reform has any chance of being implemented now, primarily because the Charter's amendment procedures (requiring a two-thirds majority including all five permanent Security Council members) preclude agreement. However, he concludes that the continuing deterioration of the global situation, driven by economic recession, rising inequality, and intra-State conflicts, will inevitably lead the political establishment to define a new global institutional structure. This future debate will become highly political, opposing the desire for democracy and human rights against nationalism and fascism.

[Summary of the Principles of International Law recognized in the Charter of the Nuremberg Tribunal and in the Judgment of the Tribunal, with commentaries 1950 based on the Text adopted by the International Law Commission at its second session, in 1950]

**101.** The author attributes the growing public frustration with the UN primarily to which pair of continuous failures?

- (1) The inability to define a new institutional structure and the spread of poverty.
- (2) The persistent reliance on Chapter VII enforcement and the lack of a Central World Bank.
- (3) The failure of peace-keeping operations and the spread of unemployment at a world level.
- (4) The supremacy of the US position and the rejection of the Economic Security Council.

**Correct Answer:** (3) The failure of peace-keeping operations and the spread of unemployment at a world level.

**Solution:**

The author mentions that growing public frustration with the UN is due to the failure of peace-keeping operations and global humanitarian issues, such as unemployment. Thus, option (3) is correct.

**Quick Tip**

The failure of peace-keeping operations and widespread humanitarian issues like unemployment are the primary sources of public frustration with the UN.

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**102.** A primary point of divergence between the US Conservative position and the Secretary General's Conservative position on security matters, according to the summary is:

- (1) The US supports the creation of 'peace enforcement units,' while the Secretary General is opposed.
- (2) The Secretary-General advocates for the full implementation of 'collective security', while the US restricts its participation in peace-keeping.
- (3) The US views 'preventive diplomacy' as an illusion, whereas the Secretary-General supports its larger use.
- (4) The US opposes the enlargement of the Security Council, while the Secretary-General supports the entrance of Japan and Germany.

**Correct Answer:** (2) The Secretary-General advocates for the full implementation of 'collective security', while the US restricts its participation in peace-keeping.



**Solution:**

The primary point of divergence between the US and Secretary-General is on the full implementation of 'collective security,' with the US limiting its participation in peace-keeping. Thus, option (2) is correct.

**Quick Tip**

The US and Secretary-General differ primarily on the full application of 'collective security' in peace-keeping efforts.

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**103.** According to the critique's conclusion, the immediate, insurmountable barrier preventing the implementation of any reform, major or minor, is:

- (1) The widespread public scepticism and the rise of nationalist political parties.
- (2) The Secretary-General's reluctance to give up command over new peace enforcement units.
- (3) The procedural requirements for amending the Charter, specifically requiring the consensus of all five permanent Security Council members.
- (4) The ideological debate on global governance and the lack of a complete theoretical framework for the radical approach.

**Correct Answer:** (3) The procedural requirements for amending the Charter, specifically requiring the consensus of all five permanent Security Council members.

**Solution:**

The immediate barrier to any reform, according to the critique, is the difficulty in amending the Charter due to the requirement of consensus from all five permanent members of the Security Council. Thus, option (3) is correct.

**Quick Tip**

The difficulty in amending the Charter due to the consensus requirement of all permanent Security Council members remains a significant barrier to reform.

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**104.** The Secretary-General's 'Agenda for Peace' proposed a specific military capability intended to address the gap between traditional peace-keeping and full military action. This proposed unit was explicitly characterized by the summary as being:

- (1) Composed of permanent Member State forces under Article 43 agreements.
- (2) Less heavily armed than peace-keeping forces and under the direction of the Military Staff

Committee.

- (3) More heavily armed than peace-keeping forces and under the command of the Secretary-General.
- (4) Primarily associated with NATO under a regional security arrangement.

**Correct Answer:** (3) More heavily armed than peace-keeping forces and under the command of the Secretary-General.

**Solution:**

The Secretary-General's 'Agenda for Peace' proposed a unit that was more heavily armed than traditional peace-keeping forces and would be under the direct command of the Secretary-General. Thus, option (3) is correct.

**Quick Tip**

The 'Agenda for Peace' envisioned a more heavily armed unit than traditional peace-keepers, under the command of the Secretary-General.

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**105.** The Radical Approach to reform, as outlined in the summary, calls for an institutional overhaul of global economic governance by suggesting which two specific actions related to the Bretton Woods institutions?

- (1) The full use of Article 42 and the reduction of social inequality.
- (2) The creation of an Economic Security Council and the replacement of the IMF with a Central World Bank.
- (3) The implementation of international taxation and the institutionalization of G7 summit meetings.
- (4) The transfer of significant resources from rich to poor countries and the reform of the World Bank's structure.

**Correct Answer:** (2) The creation of an Economic Security Council and the replacement of the IMF with a Central World Bank.

**Solution:**

The Radical Approach calls for the creation of an Economic Security Council and the replacement of the IMF with a Central World Bank to overhaul global economic governance. Thus, option (2) is correct.

### Quick Tip

The Radical Approach emphasizes creating an Economic Security Council and replacing the IMF to reform global economic governance.

## XXII.

“The power to pardon is a part of the constitutional scheme, and we have no doubt, in our mind, that it should be so treated also in the Indian Republic. It has been reposed by the people through the Constitution in the Head of the State, and enjoys high status. It is a constitutional responsibility of great significance, to be exercised when occasion arises in accordance with the discretion contemplated by the context. It is not denied, and indeed it has been repeatedly affirmed in the course of argument by learned counsels appearing for the Petitioner that the power to pardon rests on the advice tendered by the Executive to the President, who subject to the provisions of Article 74(1) of the Constitution, must act in accordance with such advice.....”

We are of the view that it is open to the President in the exercise of the power vested in him by Article 72 of the Constitution to scrutinise the evidence on the record of the criminal case and come to a different conclusion from that recorded by the court in regard to the guilt of, and sentence imposed on the accused. In doing so, the President does not amend or modify or supersede the judicial record. The judicial record remains intact, and undisturbed. The President acts in a wholly different plane from that in which the Court acted. He acts under a constitutional power, the nature of which is entirely different from the judicial power and cannot be regarded as an extension of it. This is so, notwithstanding that the practical effect of the Presidential act is to remove the stigma of guilt from the accused or to remit the sentence imposed on him.

It is apparent that the power under Article 72 entitles the President to examine the record of evidence of the criminal case and to determine for himself whether the case is one deserving the grant of the relief falling within that power. We are of opinion that the President is entitled to go into the merits of the case notwithstanding that it has been judicially concluded by the consideration given to it by this Court. In *Kehar Singh v. Union of India*, 1989 SC, this court stated that the same obviously means that the affected party need not be given the reasons. The question whether reasons can or cannot be disclosed to the Court when the same is challenged was not the subject-matter of consideration. In any event, the absence of any obligation to convey the reasons does not mean that there should not be legitimate or relevant reasons for passing the order.

[Extract from the judgment of *Shatrughan Chauhan v. Union of India* 2014 (3) SCC 1]

**106.** Which one of the following statements is correct with respect to the granting of pardon by the President?

- (1) The power to grant pardon is a constitutional duty. Hence, judicial review is available, just as any executive action is.
- (2) Granting pardon being the privilege of the President, no judicial review is available against the decision of the President in granting or refusing to grant a pardon.
- (3) The constitution expressly conferred the power to grant to the President hence, the Presi-

dent is not bound to rely on the aid and advice of the executive.

(4) The President's power to grant pardon can be reviewed on the grounds of non-application of mind.

**Correct Answer:** (4) The President's power to grant pardon can be reviewed on the grounds of non-application of mind.

**Solution:**

The passage emphasizes that while the President's pardon power is subject to advice from the executive, judicial review is possible, especially if the decision to grant or refuse pardon is based on a lack of consideration or non-application of mind. Thus, option (4) is correct.

**Quick Tip**

The President's power to grant pardon can be reviewed if it is shown that the decision was made without proper consideration.

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**107.** In the above case the Supreme Court held that a minimum period of \_\_\_\_\_ days be stipulated between the receipt of communication of the rejection of the mercy petition and the scheduled date of execution.

- (1) 60
- (2) 30
- (3) 14
- (4) No such timeline was fixed

**Correct Answer:** (3) 14

**Solution:**

The Supreme Court ordered a minimum of 14 days between the rejection of the mercy petition and the scheduled date of execution, to ensure fair consideration and prevent immediate execution. Thus, option (3) is correct.

**Quick Tip**

A 14-day minimum period between the rejection of a mercy petition and execution ensures that the convicted person has adequate time to prepare and appeal.

**108.** What is not true about the pardoning power vis a vis Article 21 of Constitution of India?

- (1) Insanity is not a relevant supervening factor for commutation of death sentence.
- (2) Right to life of a person continues till his last breath and that Court will protect that right even if the noose is being tied on the condemned person's neck.
- (3) The anguish of alternating hope and despair, the agony of uncertainty and the consequence of such suffering on the mental, emotional and physical integrity and health violates Art. 21 of the prisoners.
- (4) Article 21 is a substantive right and not merely procedural.

**Correct Answer:** (1) Insanity is not a relevant supervening factor for commutation of death sentence.

**Solution:**

The passage highlights that insanity is indeed a relevant factor for commutation, and so, option (1) is incorrect. The other statements align with the protection of a person's right to life under Article 21. Thus, option (1) is the correct answer.

**Quick Tip**

Insanity is an important factor in considering commutation of a death sentence under Article 21 of the Constitution.

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**109.** In which case, the Supreme Court held that if the crime is brutal and heinous and involves the killing of a large number of innocent people without any reason, delay cannot be the sole factor for the commutation of the death sentence to life imprisonment?

- (1) Devender Pal Singh Bhullar v. State (NCT) of Delhi.
- (2) V. Sriharan @ Murugan v. Union of India
- (3) Yakub Abdul Razak Memon v. State of Maharashtra
- (4) Shatrughan Chauhan v. Union of India

**Correct Answer:** (1) Devender Pal Singh Bhullar v. State (NCT) of Delhi.

**Solution:**

The Supreme Court in Devender Pal Singh Bhullar v. State (NCT) of Delhi emphasized that heinous crimes with no reasonable justification are not subject to commutation solely on the grounds of delay. Thus, option (1) is correct.

### Quick Tip

In cases of heinous crimes, delay in execution cannot be the sole factor for commutation of the death sentence.

#### 110. The President's power to grant a pardon

- (1) Can be delegated to the Prime Minister and his Council of Ministers
- (2) Cannot be delegated as it is an essential executive function
- (3) Cannot be delegated as it is expressly conferred on the President
- (4) Can be delegated to the Vice-president.

**Correct Answer:** (3) Cannot be delegated as it is expressly conferred on the President

#### **Solution:**

The power to grant a pardon is expressly conferred upon the President by the Constitution and cannot be delegated to others, such as the Prime Minister or Vice-President. Thus, option (3) is correct.

### Quick Tip

The President's pardon power cannot be delegated, as it is specifically conferred on the President by the Constitution.

#### **XXIII.**

To recall, the petitioners while challenging the 1951 and 1965 amendments to the AMU Act in Azeez Basha argued that the amendments were violative of the right to administration guaranteed by Article 30(1). The Union of India responded to the argument with the submission that the Muslim minority cannot claim the right to administration since it did not 'establish' the institution. Opposing this argument, the petitioners in Azeez Basha, submitted that Article 30(1) guarantees the 'right to administer' an educational institution to minorities even if it was not established by them, if by "some process, it had been administering the same before the Constitution came into force." The argument of the petitioners was rejected. This Court held that the words "establish" and "administer" must be read conjunctively, that is, the guarantee of the right to administration is contingent on the establishment of the institution by religious or linguistic minorities...

The issue before this Bench is the indicia for an educational institution to be a minority educational institution. Should it be proved that the institution was established by the minority, or it was administered by the minority, or both? The petitioners and the respondents agree that the

words “establish” and “administer” must be read conjunctively. They argue that administration is a sequitur to establishment. However, they disagree on the test to be applied to identify a minority educational institution. The petitioners argue that the only indicia for a minority educational institution is that it must be established by a minority, while the respondents argue that the dual test of establishment and administration must be satisfied.

[Extracted with edits and revisions from *Aligarh Muslim University v. Naresh Agarwal & Ors*, 2024 SC 8]

**111.** Which of the following Supreme Court judgments does not deal with minority educational institution for the purpose of Article 30(1) of the Constitution of India?

- (1) *TMA Pai Foundation v. State of Karnataka* (2002) 8 SCC 481
- (2) *S Azeez Basha v. Union of India* AIR 1968 SC 662
- (3) *Rev. Stanislaus v. State of Madhya Pradesh* 1977 SCR (2) 611
- (4) *Central Board of Dawoodi Bohra Community v. State of Maharashtra* (2005) 2 SCC 673

**Correct Answer:** (3) *Rev. Stanislaus v. State of Madhya Pradesh* 1977 SCR (2) 611

**Solution:**

The case of *Rev. Stanislaus v. State of Madhya Pradesh* does not directly deal with the issue of minority educational institutions under Article 30(1). Thus, option (3) is correct.

**Quick Tip**

To identify relevant judgments under Article 30(1), focus on cases specifically discussing the establishment and administration of minority educational institutions.

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**112.** In determining the status of a minority educational institution, Article 30 of the Constitution of India is of significance. Which of the following statements regarding Article 30 is correct?

- I. Article 30 prescribes conditions which must be fulfilled for an educational institution to be considered a minority educational institution.
- II. Article 30 confers two group rights on all linguistic and religious minorities: the right to establish an educational institution and the right to administer an educational institution.

- (1) Only I is correct
- (2) Only II is correct
- (3) Both I and II are correct
- (4) Both I and II are incorrect

**Correct Answer:** (3) Both I and II are correct

**Solution:**

Both statements I and II are correct as Article 30 of the Constitution indeed lays down conditions for an educational institution to be considered a minority institution, and it confers rights to both establish and administer such institutions.

**Quick Tip**

Article 30 outlines the conditions for minority educational institutions and guarantees the right to establish and administer them.

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**113.** Which core principle from the 1968 judgment in *S. Azeez Basha v. Union of India* was overruled by the Supreme Court in the 2024 judgment, *Aligarh Muslim University v. Naresh Agarwal & Ors.*?

- (1) That Article 30 protection is not available to 'Universities' established before the commencement of the Constitution.
- (2) That the words "establish and administer" in Article 30(1) must be read conjunctively.
- (3) That an educational institution is not established by a minority if it derives its legal character and incorporation through a statute.
- (4) That legislative amendments to the AMU Act violated Articles 14, 19, 25, 29, and 31 of the Constitution.

**Correct Answer:** (2) That the words "establish and administer" in Article 30(1) must be read conjunctively.

**Solution:**

The core principle overruled in the 2024 judgment is the interpretation that the words "establish and administer" in Article 30(1) should be read conjunctively. The 2024 judgment clarified that these words must be read conjunctively, meaning that both the establishment and administration must be conducted by the minority. Thus, option (2) is correct.

**Quick Tip**

The words "establish and administer" in Article 30(1) are to be read conjunctively, meaning both the establishment and administration must be by the minority.



**114.** The court in this case justified application of Article 30(1) to educational institutions established by religious and linguistic minorities before commencement of Constitution through a co-joint reading of Article 30, with Articles 13 and 372. In doing so it observed that ‘Article 13(1) has a retroactive effect and not a retrospective effect.’ Which of the following statement best captures the difference between the two effects?

- (1) A provision is retrospective if it alters the position of law before its enactment/commencement, it is retroactive if it imposes new results for previous actions.
- (2) A retroactive effect applies only prospectively, whereas retrospective effect alters past rights and liabilities.
- (3) A provision is retrospective if it applies to past and closed transactions, whereas provision is retroactive if it applies only to future cases.
- (4) A retrospective provision alters both substantive and procedural rights in the past, while a retroactive provision affects only substantive law.

**Correct Answer:** (1) A provision is retrospective if it alters the position of law before its enactment/commencement, it is retroactive if it imposes new results for previous actions.

**Solution:**

The difference is explained as a retrospective effect alters legal positions before enactment, whereas a retroactive effect imposes consequences for actions taken before the law’s enactment. Thus, option (1) is correct.

**Quick Tip**

Retroactive effect imposes consequences for prior actions, while retrospective effect changes the legal position before a law’s enactment.

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**115.** The court observed that a holistic and realistic view should be taken keeping in mind the objective and purpose of the provision. From the judgements referred to by it, which of the following inferences can be drawn:

- (1) Existence of religious place for prayer and worship is a necessary indicator of minority character
- (2) Existence of religious symbols in the precincts of the educational institution are necessary to prove minority character
- (3) Both I and II are correct
- (4) Both I and II are incorrect

**Correct Answer:** (4) Both I and II are incorrect

**Solution:**

The court held that neither the existence of a religious place for prayer nor religious symbols in an institution is necessary to prove minority character. Thus, option (4) is correct.

**Quick Tip**

Minority character is not determined by the presence of religious symbols or places of worship; a more comprehensive test is applied.

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**XXIV.**

Ahmadi, J. (as he then was) speaking for himself and Punchhi, J., endorsed the recommendations in the following words - "The time is ripe for taking stock of the working of the various Tribunals set up in the country after the insertion of Articles 323A and 323B in the Constitution. After the incorporation of these two articles, Acts have been enacted where-under tribunals have been constituted for dispensation of justice. Sufficient time has passed and experience gained in these last few years for taking stock of the situation with a view to finding out if they have served the purpose and objectives for which they were constituted. Complaints have been heard in regard to the functioning of other tribunals as well and it is time that a body like the Law Commission of India has a comprehensive look-in with a view to suggesting measures for their improved functioning. That body can also suggest changes in the different statutes and evolve a model on the basis whereof tribunals may be constituted or reconstituted with a view to ensuring greater independence. An intensive and extensive study needs to be undertaken by the Law Commission in regard to the Constitution of tribunals under various statutes with a view to ensuring their independence so that the public confidence in such tribunals may increase and the quality of their performance may improve."

Before parting with the case it is necessary to express our anguish over the ineffectiveness of the alternative mechanism devised for judicial review. The judicial review and remedy are the fundamental rights of the citizens. The dispensation of justice by the tribunal is much to be desired.

[Extracted with edits from R.K. Jain v. Union of India, 1993 (4) SCC 119]

**116.** In which of the following cases the Court held that though judicial review is a basic feature of the Constitution, the vesting of the power of judicial review in an alternative institutional mechanism, after taking it away from the High Courts, would not violate the basic structure so long as it was ensured that the alternative mechanism was an effective and real substitute for the High Court.

- (1) L. Chandra Kumar v. Union Of India And Others 1997
- (2) R.K. Jain v. Union of India : 1993
- (3) S.P. Sampath Kumar v. Union of India : (1985)
- (4) Kesvananda Bharti v. State of Kerala. 1973

**Correct Answer:** (1) L. Chandra Kumar v. Union Of India And Others 1997

**Solution:**

In the case of L. Chandra Kumar v. Union of India, the Court held that the judicial review is a basic feature of the Constitution but could be vested in an alternative institutional mechanism, provided it serves as an effective substitute for the High Court. Thus, option (1) is correct.

**Quick Tip**

Judicial review is a fundamental feature of the Constitution, but it can be vested in an alternative mechanism if it serves the same function effectively.

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**117.** The provisions of the Administrative Tribunals Act, 1985 shall NOT apply to-

- (1) Any member of the naval, military or air forces or of any other armed forces of the Union
- (2) Officer or servant of the Supreme Court or of any High Court or Courts subordinate
- (3) Person appointed to the secretarial staff of either House of Parliament or to the secretarial staff of any State Legislature or a House thereof or, in the case of a Union Territory having a Legislature, of that Legislature.
- (4) Officers of the Indian Police Services.

**Correct Answer:** (4) Officers of the Indian Police Services.

**Solution:**

The Administrative Tribunals Act, 1985 excludes officers of the Indian Police Services from its provisions. Thus, option (4) is correct.

**Quick Tip**

The Administrative Tribunals Act, 1985 does not apply to officers of the Indian Police Services, among other exclusions.

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**118.** The first tribunal established in India is:

- (1) Central Administrative Tribunal
- (2) Railway Claims Tribunal
- (3) Armed Forces Tribunal

(4) Income tax Appellate Tribunal

**Correct Answer:** (4) Income tax Appellate Tribunal

**Solution:**

The Income Tax Appellate Tribunal was the first tribunal established in India. Thus, option (4) is correct.

**Quick Tip**

The first tribunal established in India was the Income Tax Appellate Tribunal, dealing with tax-related disputes.

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**119.** Article 323A and 323B of the Indian Constitution for the establishment of tribunal to adjudicate disputes in specific matters. While both articles deal with tribunals, there are key differences in their scope and application. Which of the following statements correctly reflect the distinction between Article 323A and 323B?

- (1) Article 323A exclusively deals with administrative tribunals for public service matters, while Article 323B deals with the tribunals for a wider range of subjects including taxation and land reforms.
- (2) While tribunals under Article 323A can be established only by Parliament, tribunals under Article 323B can only be established by State legislature, with matters falling within their legislative competence.
- (3) Under Article 323A, only one tribunal for centre and no tribunal for state may be established. As far as Article 323B is concerned, there is no hierarchy of tribunals.
- (4) Article 323A grant tribunals the power to hear appeals directly from the Supreme Court, by passing the high court. Under Article 323B there is no such power.

**Correct Answer:** (1) Article 323A exclusively deals with administrative tribunals for public service matters, while Article 323B deals with the tribunals for a wider range of subjects including taxation and land reforms.

**Solution:**

Article 323A focuses specifically on administrative tribunals for public service matters, while Article 323B provides for tribunals for a wider range of subjects. Thus, option (1) is correct.

### Quick Tip

Article 323A deals with administrative tribunals for public service matters, while Article 323B covers a broader range of subjects.

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**120.** The creation of Administrative Tribunals to ease the burden of service related cases, on the High Courts and the amendment of the constitution to add articles 323A and 323B were based on the recommendation of:

- (1) Parliamentary Standing Committee
- (2) National Tribunals Commission
- (3) Swaran Singh Committee
- (4) Law commission of India's 272nd Report

**Correct Answer:** (3) Swaran Singh Committee

### Solution:

The creation of Administrative Tribunals was based on the recommendation of the Swaran Singh Committee. Thus, option (3) is correct.

### Quick Tip

The Swaran Singh Committee's recommendation led to the creation of Administrative Tribunals to ease the burden of service-related cases.