

Daily Practice – Legal Reasoning · Analytical Reasoning · Quantitative Techniques

Darken one bubble per question. Negative marking applies. Answers and detailed explanations are provided in a separate companion sheet.
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SECTION A – LEGAL REASONING

Q1–12 · 12 Marks

PRINCIPLE A – DOCTRINE OF PROMISSORY ESTOPPEL (Q1–6)

The doctrine of promissory estoppel is an equitable principle which prevents a party from going back on a clear and unequivocal promise made to another party where that other party has, on the faith of such promise, altered its position to its detriment. Originating in English equity through *Hughes v. Metropolitan Railway* (1877) and later refined by Lord Denning in *Central London Property Trust v. High Trees House* (1947), the doctrine was conclusively imported into Indian public law by the Supreme Court in *Motilal Padampat Sugar Mills v. State of Uttar Pradesh* (1979). In India, the doctrine binds the Government and its instrumentalities to a representation made in the course of governance, even in the absence of consideration, provided it would be inequitable to permit resilement. The doctrine, however, is not a sword to create a fresh cause of action; it is a shield to protect detrimental reliance. It will not be enforced against the State if the promise is contrary to statute, fraud on the Constitution, or where larger public interest demands departure. The party invoking it must establish (i) a clear promise, (ii) reliance, and (iii) detriment.

1. The State Industrial Department issued a notification in March 2024 assuring complete exemption from electricity duty for ten years to any unit set up in District X with capital investment above ₹50 crore. Relying on this, Aditi Industries Ltd. invested ₹85 crore and commenced production in October 2024. In April 2025, the Government withdrew the exemption by a fresh notification citing revenue shortfall. Aditi Industries sues. Which of the following best reflects the legal position?

- A. The withdrawal is valid because the State has plenary power to revise its fiscal policy, and no party can claim vested rights against tax legislation.
- B. Promissory estoppel applies; the State is bound by its representation as Aditi altered its position to its detriment, and mere revenue shortfall is no defence.
- C. The doctrine does not apply because no consideration moved from Aditi to the State, and consideration is essential to enforce any promise.
- D. Promissory estoppel cannot operate against the Government in any matter of taxation, as held in all post-1990 Supreme Court decisions.

2. Which of the following statements about promissory estoppel in Indian law is INCORRECT?

- A. It can be invoked as a defence to a claim, not as an independent cause of action to create a new right.
- B. It binds the Government when a clear representation has been made and detrimental reliance has followed.
- C. It overrides express statutory provisions if the equity in favour of the promisee is strong enough.
- D. Larger public interest may justify departure from the promise, but the burden lies on the Government to prove it.

3. The Pollution Control Board in writing assured Sunrise Tanneries that no fresh effluent norms would be applied for five years if Sunrise installed a particular treatment plant costing ₹12 crore. Sunrise installed the plant. Two years later, citing serious river contamination, the Board imposed stricter norms applicable across the State. Sunrise pleads estoppel. The most likely outcome is:

- A. Estoppel succeeds because the Board cannot resile from a written assurance under any circumstances.
- B. Estoppel fails because environmental protection and public health constitute overriding public interest justifying departure.
- C. Estoppel succeeds because the cost of the treatment plant constitutes valid consideration for the assurance.
- D. Estoppel fails because the doctrine is wholly inapplicable to administrative bodies that are not the State.

4. Which of the following best describes the holding in *Motilal Padampat Sugar Mills v. State of U.P. (1979)*?

- A. The Government cannot be estopped from exercising any executive function whatsoever, since the Constitution itself supersedes equitable doctrines.
- B. Promissory estoppel can be enforced against the Government in the exercise of its governmental, public or executive functions, subject to overriding public interest.
- C. Promissory estoppel applies to private contracts but never to administrative representations made in the exercise of statutory power.
- D. The Government may be estopped only where the promise was made by the President or Governor personally, not by departmental officers.

5. Bhaskar, a long-standing tenant, was informally told by the landlord, Vinod, that no rent would be claimed for six months as Bhaskar was undergoing surgery. Bhaskar accordingly did not pay. After three months, Vinod demanded all six months of rent forthwith, asserting that mere words created no binding promise. On these facts, which of the following is the most accurate legal position?

- A. Vinod can recover all the rent because no written agreement exists modifying the lease.
- B. Promissory estoppel may prevent Vinod from claiming rent for the period Bhaskar relied on the assurance, though Vinod may, on reasonable notice, resume future rent.
- C. The doctrine has no application in landlord-tenant disputes, which are governed solely by the Transfer of Property Act.
- D. Bhaskar must prove that consideration moved from him to Vinod; absent that, the assurance is unenforceable.

6. Which of the following situations would MOST clearly fall outside the protection of promissory estoppel against the State?

- A. A promise made by a competent authority within statutory powers, relied upon, with no compelling public interest now requiring resilement.
- B. A clear written representation in an industrial policy document, on which an entrepreneur invested heavily after due diligence.
- C. A promise that is plainly contrary to a statutory bar enacted by Parliament, the enforcement of which would defeat the statute.
- D. An assurance given by a State minister in a policy announcement, later ratified by the Cabinet in a formal resolution.

PRINCIPLE B – STRICT LIABILITY AND ABSOLUTE LIABILITY – FROM RYLANDS V. FLETCHER TO M.C. MEHTA (Q7–12)

The doctrine of strict liability emerged from the English decision in *Rylands v. Fletcher* (1868), where Blackburn J. held that a person who, for his own purposes, brings onto his land and keeps there anything likely to do mischief if it escapes, must keep it in at his peril, and is prima facie answerable for all damage which is the natural consequence of its escape. The rule, though strict, admits of well-recognised exceptions: act of God, act of a third party, plaintiff's own default, statutory authority, and consent. In India, the Supreme Court in *M.C. Mehta v. Union of India* (1987), arising from the oleum gas leak at the Shriram Food and Fertiliser plant in Delhi, evolved a more rigorous principle of absolute liability. Bhagwati C.J. held that an enterprise engaged in a hazardous or inherently dangerous activity, which results in harm to any person on account of an accident in the operation, is strictly and absolutely liable to compensate the affected persons, and the rule is not subject to any of the exceptions recognised under *Rylands v. Fletcher*. The measure of compensation, the Court held, must be correlated to the magnitude and capacity of the enterprise so as to have a deterrent effect.

7. A pesticide manufacturer, Greenchem Ltd., stored large quantities of methyl isocyanate at its plant on the outskirts of a city. Due to a sudden and unprecedented earthquake measuring 7.8 on the Richter scale, the storage tank ruptured, and gas escaped, injuring nearby residents. Greenchem pleads act of God. Under the Indian doctrine of absolute liability as evolved in M.C. Mehta (1987), the most accurate legal position is:

- A. Greenchem is not liable because act of God is a recognised defence to all strict liability claims in India.
- B. Greenchem remains absolutely liable; the M.C. Mehta principle does not admit the act-of-God exception for inherently dangerous activities.
- C. Greenchem is liable only if negligence on its part is independently established, since strict liability does not extend to natural calamities.
- D. Greenchem may discharge its liability by paying statutory compensation under the Public Liability Insurance Act 1991, irrespective of M.C. Mehta.

8. Which of the following best distinguishes the Indian rule of absolute liability from the English rule in *Rylands v. Fletcher*?

- A. Both doctrines admit identical exceptions, but the Indian rule applies only to public sector undertakings.
- B. The Indian rule abolishes the traditional exceptions and applies wherever a hazardous activity causes harm; quantum is linked to the size of the enterprise.
- C. The English rule requires proof of negligence; the Indian rule does not.
- D. Both doctrines require an actual escape of the dangerous thing beyond the boundary of the defendant's premises.

9. Which of the following statements about the rule in *Rylands v. Fletcher* is INCORRECT?

- A. It applies to a non-natural use of land where a dangerous thing is brought and kept on the land.
- B. Escape of the dangerous thing from the defendant's land is an essential ingredient.
- C. It is a no-fault rule, but it admits the defences of act of God, third-party act and plaintiff's own default.
- D. It can be invoked even where the thing escaping is being used in a natural and customary manner on the land.

10. A municipal authority maintained a large overhead water tank for the public supply of drinking water. The tank, though constructed and inspected as per specification, burst because of a hidden manufacturing defect in the steel plates, causing damage to adjoining property. Which of the following best states the legal position under classical strict liability?

- A. The authority is liable because storage of water in such quantities is non-natural use and escape has occurred.
- B. The authority is not liable since maintaining a public water supply is a natural and beneficial use of land authorised by statute.
- C. The authority is liable irrespective of statutory authority because absolute liability admits no defence.
- D. The authority is liable only if the plaintiff proves negligence in inspection of the tank.

11. Which of the following activities would MOST clearly attract the principle of absolute liability as evolved in *M.C. Mehta v. Union of India* (1987)?

- A. Operation of a roadside chemist shop selling over-the-counter medicines in a small town.
- B. Running a passenger bus service on inter-city routes during ordinary weather.
- C. Manufacture and storage of liquid chlorine and ammonia in bulk within a city's industrial estate.
- D. Construction of a school building on a vacant plot using ordinary building materials.

12. If the rule in *Rylands v. Fletcher* had been applied to the oleum gas leak instead of absolute liability, which of the following defences would the Shriram plant most plausibly have advanced?

- A. Consent of the plaintiff, since the residents had chosen to live in the vicinity of the plant.
- B. Act of a third party, attributing the leak to an unidentified saboteur, thereby seeking exoneration from liability.
- C. Statutory authority, asserting that mere licensing of the plant by the State necessarily authorises any leak.
- D. Volenti non fit injuria, claiming that workers had voluntarily accepted the risk by accepting employment.

SECTION B – ANALYTICAL REASONING

Q13–20 · 8 Marks

PUZZLE 1 – LINEAR SEATING ARRANGEMENT – SEVEN FRIENDS, TWO ROWS FACING EACH OTHER (Q13–16)

Seven friends — Anika, Bhavin, Charu, Deepika, Esha, Farhan, and Gaurav — are to be seated in two rows that face each other. The northern row has three seats numbered N1, N2, N3 from left to right, and the southern row has four seats numbered S1, S2, S3, S4 from left to right. The northern row faces south; the southern row faces north. The following constraints must be honoured simultaneously: (1) Anika sits in the northern row and is exactly opposite Esha. (2) Bhavin sits at one extreme end of the southern row, and Gaurav sits at the other extreme end of the southern row. (3) Charu does not sit at N1 or at S1. (4) Deepika is in the southern row but is not adjacent to Bhavin. (5) Farhan is in the northern row, and the person opposite Farhan is Gaurav. (6) Esha is not adjacent to Deepika. Use the constraints to fill every seat uniquely and answer the questions that follow.

13. Who sits at seat N2?

- A. Anika
- B. Charu
- C. Farhan
- D. Cannot be determined

