

SLA CLAT SECTIONAL TEST — LEGAL CURRENT AFFAIRS Set 1

GENERAL INSTRUCTIONS

- Total Questions: 30 Multiple-Choice Questions (MCQs)
- Total Duration: 30 Minutes
- Marking Scheme:
 - +1 mark for each correct answer
 - -0.25 marks for each wrong answer
 - 0 marks for un-attempted questions

PASSAGE 1 (Q1–Q6)

On 6 April 2026 the President gave assent to the Insolvency and Bankruptcy Code (Amendment) Act, 2026 (Act No. 6 of 2026), and its main provisions came into force on 26 May 2026. The Parliament-made Act amends the Insolvency and Bankruptcy Code, 2016 (the Code), India's law for companies that cannot pay their debts, and the Ministry of Corporate Affairs administers it. The Code's central idea is a time-bound resolution: the business is either rescued under a plan approved by its lenders or sold in liquidation. The most common complaint over the years was delay at the National Company Law Tribunal (the Tribunal), the specialised forum for company matters. The legal question behind the 2026 Act is whether lenders can be allowed to begin the process themselves, and the Tribunal pressed to decide quickly, without making the process unfair to the debtor.

The headline change is a new Chapter IV-A, running from Section 58A to Section 58K of the Code, which creates a creditor-initiated insolvency resolution process. Under it, financial creditors of a class notified for the purpose may start insolvency out of court. They need the approval of creditors of that notified class holding at least 51 per cent by value of the debt owed to the class. The debtor must be given at least 30 days to make its representation. During the process the company's board continues to manage the business, but the Resolution Professional attends board meetings and may reject the board's resolutions. The process must end within 150 days, which may be extended once by up to 45 days, and it can convert into the regular process.

The Act also tightens the regular process. Under Section 7(5) of the Code, the Tribunal must admit or reject a creditor's application within fourteen days. Under Section 12A of the Code, an admitted application can be withdrawn only with the approval of 90 per cent of the voting share of the Committee of Creditors, and only after that Committee has been formed and before invitations for resolution plans have been issued. Appeals to the National Company Law Appellate Tribunal must now be disposed of within three months. The Act further lays a base for group insolvency in a chapter that begins with Section 59A, and provides for an electronic portal and for cross-border insolvency, the last two depending on a notification and rules that the Central Government will issue.

Supporters argue that delay destroys value and that out-of-court initiation lets lenders act early while the debtor stays in charge. Critics reply that a 30-day window gives lenders heavy leverage, that a fixed fourteen-day deadline may produce rushed orders where benches are short, and that a promoter may claim that such a short window offends fair procedure under Article 14 of the Constitution of India.

Source: *Insolvency and Bankruptcy Code (Amendment) Act, 2026 (Act No. 6 of 2026; Presidential assent 6 April 2026; main provisions in force 26 May 2026)*

QUESTIONS

Q1. The Insolvency and Bankruptcy Code (Amendment) Act, 2026 inserts a new Chapter IV-A into the Insolvency and Bankruptcy Code, 2016. Which of the following states what the new Chapter adds to the Code's earlier position?

- (A) The Tribunal may now begin insolvency on its own, without any application from a creditor or from the debtor company itself.
- (B) Operational creditors of any size may now begin insolvency out of court, and the process can never convert into the regular one.
- (C) Only the debtor company may begin insolvency out of court, while financial creditors may merely object to the debtor's chosen plan.
- (D) Financial creditors of a notified class may begin insolvency out of court, and the process can later convert into the regular process.

Q2. Kaveri Spindles Limited owes Rs 400 crore to a class of financial creditors notified under Chapter IV-A of the Insolvency and Bankruptcy Code, 2016 (the Code). Seven of the ten creditors in the class, together holding 44 per cent of the class debt by value, approve starting the creditor-initiated process out of court. Is the process validly started?

- (A) Yes, because seven of ten creditors form a clear majority by number, and approval is measured by headcount.
- (B) Yes, because the debtor gets thirty days to make its representation, and that hearing cures any shortfall in approval.
- (C) No, because insolvency can be started only by an application to the Tribunal, and creditors can never begin the process outside it.
- (D) No, because approval needs at least 51 per cent of the class debt by value, and 44 per cent falls short.

Q3. Under Chapter IV-A of the Insolvency and Bankruptcy Code, 2016 (the Code), creditors holding 62 per cent by value of a notified class's debt approve a creditor-initiated process against Bhavna Steels Limited. They give it notice on 1 June and fix 12 June for its representation. Bhavna Steels objects to the process. Can its objection succeed?

SLA CLAT SECTIONAL TEST — LEGAL CURRENT AFFAIRS Set 1

- (A) No, because creditors holding 62 per cent by value have approved, which removes any need for the debtor's representation.
- (B) No, because the notified creditors may fix whatever period they consider reasonable, provided the Resolution Professional attends the board meetings.
- (C) Yes, because the debtor must get at least thirty days to make its representation, and eleven days fall short whatever the approval.
- (D) Yes, because the Tribunal must first admit the creditors' application before any notice goes to the debtor, and that step was skipped.

Q4. Under Section 12A of the Insolvency and Bankruptcy Code, 2016 (the Code), the Committee of Creditors in the regular process against Hemkunt Paper Mills Limited was formed on 3 July, and invitations for resolution plans have not yet been issued. The applicant creditor, now paid by the debtor, seeks to withdraw its admitted application, and creditors holding 91 per cent of the voting share approve. May the application be withdrawn?

- (A) Yes, because a simple majority of the voting share is enough to withdraw once the dues have been paid by the debtor.
- (B) Yes, because the Committee is formed, plans are not yet invited, and 91 per cent exceeds the 90 per cent needed.
- (C) No, because withdrawal needs the unanimous vote of the Committee of Creditors, which a 91 per cent vote does not amount to.
- (D) No, because once the Tribunal has admitted an application, only a fresh order of the Tribunal can allow its withdrawal.

Q5. A creditor-initiated process against Tarang Ceramics Limited began on 1 March under Chapter IV-A of the Insolvency and Bankruptcy Code, 2016. On the 150th day it was extended once by thirty days. Near the end of that extension, the Resolution Professional asks for a second extension of ten days. Can the second extension be granted?

- (A) Yes, because the two extensions together come to forty days, which stays within the forty-five day ceiling.
- (B) Yes, because the Resolution Professional may seek extensions as often as the notified class of creditors continues to approve them.
- (C) No, because the process can be extended only once, and that single extension has been used, though fifteen days remained.
- (D) No, because the process was already extended past 150 days, and the Tribunal alone may sanction any further period.

Q6. Consider three situations under the Insolvency and Bankruptcy Code, 2016 (the Code) as amended in 2026.

Situation I: The Tribunal admits a creditor's application under Section 7(5) of the Code on the fourteenth day after it was filed. Situation II: An appeal to the National Company Law Appellate Tribunal against an admission order is disposed of four months after it was filed. Situation III: In a creditor-initiated process, the Resolution Professional attends a board meeting and rejects the board's resolution to sell a plant, while the board otherwise keeps managing the business. Which option correctly states whether each situation is consistent with the amended Code?

- (A) Situations I and II are consistent with the amended Code, but Situation III is not consistent with it.
- (B) Situations I and II are not consistent with the amended Code, but Situation III is consistent with it.
- (C) All three situations are consistent with the amended Code, since each stays within the time or powers it gives.
- (D) Situations I and III are consistent with the amended Code, but Situation II is not consistent with it.

PASSAGE 2 (Q7–Q12)

Bail lets an accused person stay free while the trial is pending. A court may attach conditions to it, but they must serve the purposes of bail: that the accused appears when needed and does not interfere with the case. Two Supreme Court rulings of April and May 2026 marked the limits of that power, and the question in each was how far a court may go in setting bail conditions.

The first was *Narayan v. State of Madhya Pradesh*, decided on 22 April 2026 by a Bench of Justice J.K. Maheshwari and Justice Atul S. Chandurkar. Narayan was charged under the Madhya Pradesh Excise Act, 1915, with possessing illicit liquor, an offence carrying a maximum of three years. The High Court cancelled his bail after finding that he had broken the conditions listed in Section 480(3) of the *Bharatiya Nagarik Suraksha Sanhita, 2023* (the Sanhita), which replaces Section 437 of the Code of Criminal Procedure, 1973. That sub-section lists three conditions: the accused must attend court in accordance with the bond, must not commit a similar offence, and must not tamper with evidence or induce witnesses. The Supreme Court set the cancellation aside. It held that the sub-section applies only where the offence is punishable with imprisonment which may extend to seven years or more, or falls under certain chapters of the *Bharatiya Nyaya Sanhita, 2023* that the sub-section names, which Narayan's offence did not. For an offence below that level, such as Narayan's, the three conditions are not compulsory, and an alleged breach of them cannot by itself support cancellation.

The second ruling came on 4 May 2026 in a case the Court began on its own motion, *In Re: Condition Being Imposed While Granting Bail by High Court of Orissa and District Courts in the State of Odisha*. Eight orders, seven from district courts at Rayagada and one from the High Court of Orissa, had

SLA CLAT SECTIONAL TEST — LEGAL CURRENT AFFAIRS Set 1

made bail depend on cleaning a police station, in one instance every morning for two months. Six of the applicants were Dalits and two were Adivasis, arrested in protests against mining. A Bench of the Chief Justice of India Surya Kant and Justice Joymalya Bagchi called the conditions obnoxious and caste-coloured, declared them null and void, directed all courts not to impose such conditions, and ordered the judgment sent to every High Court. It noted that accused persons from privileged communities were not given such conditions.

Those who defend wide discretion say that judges know local conditions and may regard community-service terms as lighter than jail. The Court's answer in both cases was that conditions need a link to the purposes of bail, and that cleaning duties imposed before conviction and aimed at one community revive the stigma that Article 17 of the Constitution of India abolished.

Source: *Narayan v. State of Madhya Pradesh*, 2026 LiveLaw (SC) 426 (Supreme Court of India, 22 April 2026); *In Re: Condition Being Imposed While Granting Bail by High Court of Orissa and District Courts in the State of Odisha, Suo Motu Writ Petition (Criminal) 2 of 2026*, 2026 LiveLaw (SC) 472 (4 May 2026)

QUESTIONS

Q7. Which of the following statements is NOT correct as per the passage on the Supreme Court's two rulings on bail conditions?

- (A) The Bench held the conditions void because only district courts, and not the High Court of Orissa, imposed them.
- (B) The Bench declared the conditions null and void and ordered the judgment sent to every High Court.
- (C) Six of the eight applicants whose bail depended on cleaning a police station were Dalits and two were Adivasis.
- (D) The Bench noted that accused persons from privileged communities were not given such conditions, unlike the eight applicants.

Q8. Rajan is charged under the Nirmalya State Excise Act with selling unlicensed liquor, an offence punishable with imprisonment up to two years. A court grants him bail. Later it cancels the bail, finding that he once reached court late, which it treats as a breach of the conditions listed in Section 480(3) of the Bharatiya Nagarik Suraksha Sanhita, 2023. Is the cancellation sound?

- (A) Yes, because any breach of a bail condition is itself enough for cancellation, whatever the offence charged.
- (B) Yes, because attending court on time is the one condition that every bail order must carry, and Rajan missed it.
- (C) No, because bail once granted can never be cancelled, since an accused person is presumed innocent until trial ends.

(D) No, because the listed conditions are not compulsory for an offence this low, so a breach alone cannot support cancellation.

Q9. Salim is charged with an offence punishable with imprisonment which may extend to seven years. A court grants him bail. Later the prosecution shows that Salim phoned two witnesses and urged them to change their statements. Can the court treat this as a breach of the conditions in Section 480(3) of the Bharatiya Nagarik Suraksha Sanhita, 2023 on which cancellation may rest?

- (A) No, because the sub-section covers only offences punishable above seven years, and an offence of exactly seven years falls below that line.
- (B) No, because witness interference can ground cancellation only after conviction, and Salim's trial has not yet ended.
- (C) Yes, because a court may cancel bail for any act it finds unfair to the prosecution, listed condition or not.
- (D) Yes, because an offence of up to seven years falls within the sub-section, and inducing witnesses breaches a listed condition.

Q10. A court in the State of Nirmalya grants bail to Dev, accused of an offence punishable with imprisonment up to five years. It directs him to surrender his passport and report to the local police station every Monday until trial. Dev says no such conditions are listed in Section 480(3) of the Bharatiya Nagarik Suraksha Sanhita, 2023. Are the conditions enforceable against Dev?

- (A) No, because only the three conditions listed in Section 480(3) may ever be imposed, and passport surrender is not among them.
- (B) Yes, because both conditions serve the purpose of securing his appearance, and a court may impose conditions linked to that purpose.
- (C) No, because bail conditions that restrict an accused person's movement before conviction are void in every case, whatever their purpose.
- (D) Yes, because any condition the accused accepts on release is enforceable, whether or not it serves a purpose of bail.

Q11. In the State of Nirmalya, a Sessions Judge grants bail to every accused person before her, of every community, on the same condition: sweeping the court premises each morning for a month. Counsel argues that the condition is not caste-coloured since it applies to all alike. Is the condition valid?

- (A) Yes, because a condition applied evenly to every accused person cannot be caste-coloured, and evenness is all that fairness demands.
- (B) No, because the condition came from a Sessions Judge, and only a High Court may attach conditions to bail.

SLA CLAT SECTIONAL TEST — LEGAL CURRENT AFFAIRS Set 1

(C) No, because sweeping has no link to appearance or non-interference, so it is void even if applied equally to all.

(D) Yes, because community service is lighter than jail, and a condition lighter than jail serves the accused's interest.

Q12. Gopal is charged under the Nirmalya Forest Act with felling protected trees, an offence punishable with imprisonment up to ten years. While on bail he destroys felling records that the prosecution needs as evidence, and the court cancels his bail for breach of a condition in Section 480(3) of the Bharatiya Nagarik Suraksha Sanhita, 2023. Gopal argues that the sub-section reaches only offences under the Bharatiya Nyaya Sanhita, 2023, as Narayan's excise case showed. Is Gopal's argument sound?

(A) Yes, because Narayan v. State of Madhya Pradesh placed every State-law offence outside the sub-section, whatever its punishment.

(B) Yes, because the sub-section names only chapters of the Bharatiya Nyaya Sanhita, 2023, so offences under other laws fall outside it.

(C) No, because Gopal accepted the bail order's terms on release, so he cannot now question which law governs them.

(D) No, because the sub-section also reaches any offence punishable with seven years or more, and ten years meets that limb.

PASSAGE 3 (Q13–Q18)

A democracy needs an accurate voters' list, but a list can be made accurate only by removing names, and every removal risks cancelling a genuine citizen's vote. This tension came before the Supreme Court in 2026. On 24 June 2025 the Election Commission of India (the Commission) ordered a Special Intensive Revision of the electoral rolls in Bihar, asking voters for fresh forms and documents, including documents that help show citizenship. Petitioners argued that genuine voters could be struck off and that deciding citizenship was not the Commission's job. The central question was whether the Commission may run a document-based special revision, and how fair the process must be to voters it removes.

On 27 May 2026, in *Association for Democratic Reforms v. Election Commission of India* (2026 INSC 564), the Court, through the Chief Justice of India Surya Kant and Justice Joymalya Bagchi, upheld the Bihar exercise as valid, proportionate and within the Commission's powers. It rested the power on Article 324 of the Constitution of India, which vests superintendence, direction and control of elections in the Commission, and on Section 21(3) of the Representation of the People Act, 1950, which permits a special revision of the rolls. The Commission may examine citizenship only for the limited purpose of deciding who belongs on the roll, which is not a final

ruling on citizenship. Where it is not satisfied, the case goes to the competent authority under the Citizenship Act, 1955, within four weeks. The list of eleven accepted documents stood, with Aadhaar added as a twelfth.

Later orders show the limits of that power. In *Mostari Banu v. Election Commission of India*, in West Bengal, the Court passed an order on 13 April 2026. Using Article 142 of the Constitution of India, it allowed voters whose appeals against deletion succeeded by fixed dates in April to vote through supplementary rolls. It held, however, that the mere pendency of an appeal gives no right to vote. On 22 September 2026, in the Delhi revision, a Bench including Justice V. Mohana observed that about 33 lakh notices on "logical discrepancy" looked machine-generated. It asked the Commission to explain the term, called for a status report, required publication of excluded names with reasons, and suggested in-person help for voters. The Delhi matter is pending.

Defenders say that clean rolls protect every genuine vote and that notice, hearing and appeal make the exercise proportionate. Critics say that poor and migrant citizens may lack papers, and that mass notices risk deletion without real inquiry. The Court's approach in effect treated Article 326, which gives adult suffrage to citizens aged eighteen and above, as the value to be guarded: the Commission may verify, but only through a process that remains fair to the voter.

Source: *Association for Democratic Reforms v. Election Commission of India*, 2026 INSC 564 (Supreme Court of India, 27 May 2026); *Mostari Banu v. Election Commission of India* (13 April 2026); *Anjali Bharadwaj v. Election Commission of India* (22 September 2026)

QUESTIONS

Q13. In the passage on the Special Intensive Revision of the electoral rolls, which statement is a ruling of the Court, as distinct from an argument made by petitioners, defenders or critics?

(A) Genuine voters could be struck off the rolls, and deciding citizenship was not the Commission's job.

(B) Poor and migrant citizens may lack the papers asked for, so mass notices risk deletion without any real inquiry.

(C) The eleven documents the Commission accepted stayed on the list, and Aadhaar was added to them as a twelfth.

(D) Clean rolls protect every genuine vote, so removing doubtful names strengthens rather than weakens the right to vote.

Q14. During a Special Intensive Revision in the State of Nirmalya, an election officer of the Commission is not satisfied by Imran's documents on citizenship. The officer removes Imran's name and records a final declaration that

SLA CLAT SECTIONAL TEST — LEGAL CURRENT AFFAIRS Set 1

Imran is not a citizen of India. Is the final declaration within the Commission's powers?

- (A) No, because it may examine citizenship only for the roll, and an unresolved case goes to the competent authority.
- (B) Yes, because Article 324 of the Constitution of India gives the Commission control of elections, including final rulings on citizenship.
- (C) Yes, because a declaration made after examining documents is final once the voter has a right to appeal.
- (D) No, because the Commission may not look at any citizenship document during a revision, as citizenship is outside its sphere altogether.

Q15. In the State of Nirmalya, the Supreme Court makes an order on the lines of its West Bengal order in *Mostari Banu v. Election Commission of India*. Meera's name was deleted in the revision, and her appeal against deletion was still undecided on polling day. The Commission refuses to let her vote. Is the Commission entitled to refuse?

- (A) No, because the order covers every deleted voter who has appealed, and an undecided appeal is enough to qualify.
- (B) Yes, because the mere pendency of an appeal against deletion gives a voter no right to vote on polling day.
- (C) No, because fairness to a voter with a strong appeal requires that she be allowed to vote while it is undecided.
- (D) Yes, because a name deleted in a revision can be restored only at the next general revision, whatever the appeal's fate.

Q16. In the State of Nirmalya, the Supreme Court permits voters whose appeals against deletion succeed by 10 May to vote through supplementary rolls, using Article 142 of the Constitution of India. Tarun's name is not on the main roll, but his appeal against deletion succeeded on 8 May, and polling is on 20 May. May Tarun vote?

- (A) Yes, because his appeal succeeded by the fixed date, so he may vote through a supplementary roll under the Court's order.
- (B) No, because the main roll closed once the revision ended, and only names on it may ever be used for voting.
- (C) No, because the Supreme Court cannot use Article 142 to create a voting arrangement that the electoral statute does not itself provide.
- (D) Yes, because any voter with an appeal filed by 10 May may vote through supplementary rolls, whatever its eventual result.

Q17. In the Delhi revision, Farida's name is excluded after a machine-generated notice citing only "logical discrepancy", and the published list gives no reasons. She argues that the Supreme Court has already held such notices invalid, and that

her deletion is therefore void. Which assessment is most accurate?

- (A) Omitting reasons conflicts with the Bench's direction, but the validity of such notices is undecided while the matter is pending.
- (B) The Bench has held such notices machine-generated and void, so Farida's deletion is void and her name must be restored.
- (C) Her complaint succeeds, because the Bench required reasons to be published, and that requirement alone makes her deletion void.
- (D) Her complaint fails, because the Bench only suggested in-person help and required nothing at all from the Commission.

Q18. Pratap, a voter in the State of Nirmalya, challenges a Special Intensive Revision ordered by the Commission. He argues that the Commission has no power to order any special revision on its own, because the Representation of the People Act, 1950 provides only for ordinary yearly revisions. Is Pratap's argument sound?

- (A) Yes, because Article 324 of the Constitution of India covers only polling and gives no power over electoral rolls.
- (B) No, because Section 21(3) of that Act permits a special revision of the rolls, and Article 324 vests control of elections in the Commission.
- (C) No, because the Commission's power to order a special revision comes from the Citizenship Act, 1955, which Pratap's argument overlooks.
- (D) Yes, because a special revision is valid only if the Court approves it beforehand, and no approval was given here.

PASSAGE 4 (Q19–Q24)

In a "digital arrest" scam, fraudsters pose as police, Central Bureau of Investigation or court officials on a video call, tell the victim that he or she is under arrest and force a transfer of money. No law allows an arrest by video call. In October 2025 the Supreme Court began a case on its own motion, titled *In Re: Victims of Digital Arrest Related to Forged Documents*, after an elderly couple from Ambala, Haryana, wrote that fraudsters using forged Supreme Court orders had cheated them of over Rs 1.05 crore. The question was how courts and government can stop organised cyber fraud and help victims recover their money.

On 4 August 2026 a Bench of the Chief Justice of India Surya Kant, Justice Joymalya Bagchi and Justice V. Mohana issued interim directions, which are temporary orders given while the case goes on. It noted that complaints had fallen from 123,672 in 2024 to 58,239 in 2025 and 16,377 by 30 June 2026, and called continued monitoring indispensable. The Reserve Bank

SLA CLAT SECTIONAL TEST — LEGAL CURRENT AFFAIRS Set 1

of India must frame a standard procedure within four weeks for temporarily holding "mule accounts", meaning bank accounts used to pass on stolen money. States must make their cybercrime coordination centres operational within four weeks and use the electronic zero First Information Report system. A committee of government departments must study a model of victim compensation and shared liability. The case continues, with a hearing fixed for 16 September 2026. On 28 July the Court had also suggested that the Central Government define digital arrest as a separate offence with harsher punishment.

A separate ruling in July 2026 concerned bail. In *Maharaj Saran v. State of Punjab*, a Bench of Justice M.M. Sundresh and Justice Prasanna B. Varale set aside the view of the Punjab and Haryana High Court that Section 66 of the Information Technology Act, 2000, which deals with computer-related offences, is non-bailable. The High Court had reasoned that the Act did not describe the offence as bailable. The Supreme Court held that it had overlooked Section 77B of the same Act, under which an offence punishable with imprisonment of three years is bailable, and that Section 66 carries a maximum of three years. A bailable offence is one for which the accused can claim bail as of right, a rule found in Section 478 of the *Bharatiya Nagarik Suraksha Sanhita*, 2023, which replaces Section 436 of the Code of Criminal Procedure, 1973. The ruling concerns only Section 66; a fraudster may also be charged with cheating under Section 318(4) of the *Bharatiya Nyaya Sanhita*, 2023, which replaces Section 420 of the Indian Penal Code, 1860.

Supporters of the Court's directions say that scams crossing State borders need a supervised national plan and that quick account holds help victims. Critics caution that running policy through continuing orders may take over executive work, that quick holds may freeze honest account-holders' money without due process, and that treating Section 66 as bailable gives a serious cyber offence a light bail regime.

Source: *Maharaj Saran v. State of Punjab*, 2026 LiveLaw (SC) 707 (Supreme Court of India, July 2026); *In Re: Victims of Digital Arrest Related to Forged Documents*, 2026 SCC OnLine SC 1532 (Supreme Court of India, 4 August 2026)

QUESTIONS

Q19. In *Maharaj Saran v. State of Punjab*, which legal question did the Supreme Court have to decide?

- (A) Whether a cheating charge under Section 318(4) of the *Bharatiya Nyaya Sanhita*, 2023 is bailable as of right.
- (B) Whether the Reserve Bank of India may temporarily hold bank accounts that are used to pass on stolen money.
- (C) Whether Section 66 of the Information Technology Act, 2000 is non-bailable because the Act does not call it bailable.
- (D) Whether the Central Government should define digital arrest as a separate offence with harsher punishment.

Q20. Rohan is arrested and charged only under Section 66 of the Information Technology Act, 2000 for posing as an official on a video call and obtaining a victim's money. A Magistrate refuses bail, reasoning that the Act does not call the offence bailable and that the loss to an elderly victim is grave. Is Rohan entitled to claim bail as of right?

- (A) No, because a grave loss to an elderly victim makes the offence non-bailable, whatever maximum punishment the Act carries.
- (B) No, because the Act does not describe Section 66 as bailable, and an offence is bailable only when the Act says so.
- (C) Yes, because every offence connected with computers is bailable, and the nature of the loss caused is irrelevant.
- (D) Yes, because an offence with a three-year maximum is bailable under Section 77B of that Act, and Section 66 carries that maximum.

Q21. The State of Nirmalya's Digital Fraud Act makes impersonating an official on a video call to extract money punishable with imprisonment up to five years. Jatin is charged only under that Act. His lawyer argues that, by the reasoning in *Maharaj Saran v. State of Punjab*, the offence is bailable and Jatin may claim bail as of right. Is the argument sound?

- (A) Yes, because the reasoning treats every computer-related fraud as bailable, whatever the maximum punishment under the governing Act.
- (B) Yes, because a five-year maximum includes three years of imprisonment within it, so the offence falls inside the three-year rule as well.
- (C) No, because a State law can never create a bailable offence, since bail rules belong to the Central Government alone.
- (D) No, because the three-year rule covers an offence whose maximum is three years, and a five-year maximum falls outside it.

Q22. Mr. Verma lost Rs 30 lakh in a digital arrest scam. His bank refuses compensation, saying that the Supreme Court's directions of 4 August 2026 have not fixed its liability. Is the bank's position correct?

- (A) No, because the Court called continued monitoring indispensable, and that remark itself makes every bank liable to victims.
- (B) Yes, because the directions are interim and merely ask a committee to study the model, leaving bank liability unfixed.
- (C) No, because victims of fraud across State borders are entitled to compensation as soon as the Court begins any case.
- (D) Yes, because only the Reserve Bank of India, and not any ordinary bank, can ever be made liable for a victim's loss.

SLA CLAT SECTIONAL TEST — LEGAL CURRENT AFFAIRS Set 1

Q23. On 5 August 2026, Kabir, who posed as a Central Bureau of Investigation officer on a video call and forced a transfer of money, is arrested. The prosecutor wishes to charge him with "digital arrest", citing the Court's observation of 28 July 2026 that it should be defined as a separate offence with harsher punishment. May Kabir be charged with such a separate offence?

- (A) Yes, because the Court's observation of 28 July itself creates the separate offence from that date for all cases.
- (B) Yes, because the Court's directions of 4 August 2026 define digital arrest as an offence and apply to every pending case.
- (C) No, because the Court only suggested that the Central Government define the offence, which cannot be charged until defined.
- (D) No, because digital arrest is not a crime in any form, so Kabir cannot be charged with any offence for his conduct.

Q24. Sarita is charged with both an offence under Section 66 of the Information Technology Act, 2000 and cheating under Section 318(4) of the Bharatiya Nyaya Sanhita, 2023. Her lawyer says *Maharaj Saran v. State of Punjab* makes her whole case bailable. The prosecutor replies that the ruling by itself does not settle whether the cheating charge is bailable. Is the prosecutor's reply sound?

- (A) Yes, because the ruling concerns only Section 66, so the cheating charge must be tested separately on its own maximum punishment.
- (B) Yes, because the Section 66 charge becomes non-bailable whenever it is joined with any charge under the Bharatiya Nyaya Sanhita, 2023.
- (C) No, because a three-year maximum under Section 66 makes the whole case bailable, and the other charge cannot change it.
- (D) No, because the ruling held all offences under the Information Technology Act, 2000 to be bailable and cheating follows the same rule.

PASSAGE 5 (Q25–Q30)

In 2016 the Art of Living organisation held the World Culture Festival on the Yamuna floodplain in Delhi. Environmental petitioners objected that the event would damage the fragile floodplain. In March 2016, just before the event, the National Green Tribunal (the Tribunal), the specialist environmental court, made the organisation deposit Rs 5 crore as interim environmental compensation. In its final judgment of December 2017 the Tribunal held the organisation responsible for the damage and directed that the money be used for restoration. The organisation, *Vyakti Vikas Kendra India*, appealed to the Supreme Court. The question was whether a person can be made to pay for repairing environmental damage under the

polluter-pays principle without proof that his or her own conduct caused it.

On 22 August 2026, in *Vyakti Vikas Kendra India v. Manoj Misra (Dead) & Ors.* (2026 INSC 910), a Bench of Justice Satish Chandra Sharma and Justice N. Kotiswar Singh set the Tribunal's order aside. The polluter-pays principle holds that whoever causes environmental harm should bear the cost of repairing it. The Supreme Court had built it into Indian law in *Indian Council for Enviro-Legal Action v. Union of India* (1996) and *Vellore Citizens' Welfare Forum v. Union of India* (1996), as part of the right to life under Article 21 of the Constitution of India. The Bench held that the principle cannot be invoked unless the degradation can be traced to the person charged. A real causal link, meaning actual damage caused by that person, is the foremost requirement, because the person must be a polluter before being held liable.

The Court found ample material to show that the site had already been in a dilapidated condition before it was handed over for the festival. On that finding the Tribunal's attribution of the damage to the organisation could not stand. The Court ordered the Delhi Development Authority (DDA), which held the deposit, to refund the Rs 5 crore within four weeks. It made clear that the DDA, as the land-owning body, remains responsible for restoring the floodplain. It also dealt with Section 17(3) of the National Green Tribunal Act, 2010, which fixes liability without proof of fault. That sub-section, the Court said, deals with the consequences of an accident, such as an industrial hazard, and a festival on the floodplain was not an accident of that kind.

The ruling's critics make a serious point. Environmental harm is often cumulative and hard to prove, so a strict causation test may let polluters escape. They add that holding the organiser of a vast event on a floodplain responsible fits the precautionary principle, which says to avoid risk even when the science is uncertain. The Court's answer is that compensation is a form of liability: it would be unfair to charge a person for harm that the evidence shows he or she did not cause, and the duty of restoration stays with the authority that owns the land.

Source: *Vyakti Vikas Kendra India v. Manoj Misra (Dead) & Ors.*, 2026 INSC 910 (Supreme Court of India, 22 August 2026)

QUESTIONS

Q25. Read the two statements. Assertion (A): In *Vyakti Vikas Kendra India v. Manoj Misra (Dead) & Ors.*, the Supreme Court set aside the National Green Tribunal's order making the organisation pay for damage to the floodplain. Reason (R): The Supreme Court held that the polluter-pays principle cannot be invoked unless the degradation can be traced to the person charged.

- (A) Both A and R are true, and R is the correct explanation of A.

SLA CLAT SECTIONAL TEST — LEGAL CURRENT AFFAIRS Set 1

(B) Both A and R are true, but R is not the correct explanation of A.

(C) A is true, but R is false.

(D) A is false, but R is true.

Q26. Before a three-day fair held on the Tapti floodplain in the State of Nirmalya by the Sangam Cultural Society, a baseline survey found the reed beds intact. After the fair, the Nirmalya Development Authority proved from satellite images that the Society's heavy vehicles had destroyed the reed beds, and demands restoration costs. The Society argues that the fair was not an accident, so the polluter-pays principle cannot apply. Is the Society liable?

(A) No, because the polluter-pays principle applies only to industrial accidents, and a cultural fair is not an accident of that kind.

(B) No, because the Society acted for a public cultural purpose, and a public purpose displaces the duty to repair damage.

(C) Yes, because actual damage traced to the Society's own conduct makes it a polluter, whether or not any accident occurred.

(D) Yes, because the Authority owns the floodplain, and an owner may recover restoration costs from any user of its land.

Q27. The Kosi Heritage Trust holds a large religious procession on a riverbank in the State of Nirmalya, and afterwards the riverbank is found worn and littered. The State's pollution authority invokes the no-fault provision in Section 17(3) of the National Green Tribunal Act, 2010, saying the sheer size of the procession fixes liability without proof of fault. Is the authority correct?

(A) Yes, because any large gathering near water is a hazard, and Section 17(3) fixes liability for every such hazard.

(B) No, because that provision deals with the consequences of an accident such as an industrial hazard, and a procession is not one.

(C) Yes, because liability without proof of fault is the general rule for environmental harm, and the Trust showed no care.

(D) No, because a procession is a religious activity, and religious activity is exempt from environmental liability of every kind.

Q28. In the State of Nirmalya, the Supreme Court sets aside a National Green Tribunal order that made the Meghdoot Society pay for damage to a lakeshore, finding the damage was not traced to it. The Rs 3 crore the Society deposited is held by the Lakeshore Development Authority, which owns the land. The Authority says it will keep the deposit and that, with the Society cleared, nobody is responsible for restoring

the lakeshore. Must the Authority refund the deposit and itself remain responsible for restoration?

(A) Yes, because the order that justified the deposit has been set aside, and the Authority, as land-owning body, remains responsible for restoration.

(B) Yes, the deposit must be returned, but the Society must restore the lakeshore as the last body to use it.

(C) No, because a deposit made before the final order may be kept for restoration, and the Authority then owes no further duty.

(D) No, because with no polluter identified the duty to restore passes to the public at large, and the deposit is forfeited.

Q29. Before the Nirmalya Lake Society held a two-day event on a lake shore, several factories nearby already discharged effluents into the lake. After the event the lake was found polluted. The Authority has no evidence tracing the pollution to the Society's event, yet orders it to pay for cleaning, arguing that environmental harm is cumulative and hard to prove and that the precautionary principle supports the order. Is the order sustainable?

(A) Yes, because harm is cumulative and hard to prove, so a strict test of causation would let polluters escape.

(B) No, because damage must be traced to the Society for the polluter-pays principle to apply, and precaution cannot replace that link.

(C) Yes, because the Society used the lake last, and the last user of a polluted site becomes its polluter.

(D) No, because the Society held only a two-day event, and a short event cannot create liability under the polluter-pays principle.

Q30. At a fair on the Sindhu floodplain in the State of Nirmalya, a generator fuel store used by the organiser, the Prakash Mela Samiti, exploded and contaminated two hectares. Five other hectares were found contaminated by discharges from an upstream tannery that the organiser did not control. The Authority demands the cost of restoring all seven hectares from the organiser. Which outcome is consistent with the Court's reasoning in the passage?

(A) Liable for the two hectares without proof of fault, since the explosion was an accident, but not for the other five.

(B) Liable for all seven hectares without proof of fault, because the explosion was an accident under the no-fault provision.

(C) Liable for none of the hectares, because the no-fault provision covers only industrial hazards, and a fair is not an industry.

(D) Liable for the two hectares only if the Authority proves negligence in storing the fuel, and not liable for the other five.
