BLOGS

Passage-Based Questions on Legal Reasoning for CLAT UG [Part 15]

Adtiya Aryan · 24 Jun 2026

Passage 1 (P.1)

In the aftermath of rapid industrial expansion, courts were confronted with an unsettling question: could enterprises engaged in inherently hazardous activities be permitted to externalize catastrophic risk onto surrounding communities under the protective umbrella of traditional tort doctrines? The controversy crystallized when a toxic gas leak from a large industrial plant caused widespread harm to residents living in its proximity. The enterprise argued that liability, if any, must be tested against the classical English rule in strict liability, which recognized certain exceptions such as act of God, third-party intervention, or plaintiff's own fault. The Court, however, observed that doctrines evolved in 19th-century England were ill-suited to densely populated industrial societies. The magnitude of potential harm, the asymmetry of knowledge between enterprise and victim, and the economic capacity of industrial entities demanded a doctrinal recalibration. It was held that where an enterprise is engaged in a hazardous or inherently dangerous activity and harm results from an accident in the course of such activity, the enterprise is absolutely liable to compensate all those affected. Unlike strict liability, this rule admitted no exceptions. The reasoning rested on constitutional foundations. The right to life was interpreted not merely as animal existence but as the right to live with human dignity, free from avoidable environmental hazards. The Court further reasoned that enterprises deriving profit from dangerous activities must bear the social cost of accidents as an integral part of their operational expense. To permit exceptions would dilute deterrence and undermine distributive justice. Importantly, the Court linked liability to enterprise capacity. Compensation was not to be symbolic; it had to be commensurate with the financial strength of the offending entity so as to serve both compensatory and deterrent functions. The principle was framed as an indigenous constitutional innovation, not a borrowed common-law transplant. The judgment marked a decisive shift from fault-based reasoning to enterprise accountability embedded within constitutional morality.

1. Compliance with statutory safety regulations ?

a) automatically absolves the enterprise of liability

b) reduces liability to negligence-based compensation

c) is irrelevant to the imposition of absolute liability

d) converts liability into strict liability

2. The doctrine's constitutional foundation primarily strengthens ?

a) victims' fundamental rights claims

b) administrative discretion

c) contractual allocation of risk

d) criminal prosecution standards

3. If the malfunction was scientifically unavoidable despite advanced safeguards, the enterprise ?

a) escapes liability

b) remains liable under the absolute duty principle

c) is liable only for environmental damage

d) is liable only if intent is shown

4. The emphasis on financial capacity in awarding compensation serves to ?

a) equalize liability across industries

b) prevent bankruptcy of enterprises

c) limit compensation to actual injury

d) ensure deterrent and restorative impact

5. The doctrine most directly rejects which feature of traditional strict liability?

a) Requirement of hazardous activity

b) Availability of recognized exceptions

c) Civil nature of the action

d) Judicial discretion in damages

Passage 2 (P.2)

In a commercial dispute involving unpaid maritime dues, a claimant sought arrest not of the offending vessel but of another vessel owned by the same corporate group. The defendant contended that maritime claims attach only to the specific vessel in respect of which the cause of action arose, and that arresting another ship would violate corporate separateness and commercial certainty. The Court examined the evolution of admiralty jurisdiction, particularly the doctrine permitting arrest of “sister ships.” It was observed that modern maritime commerce frequently operates through single-ship companies formed to insulate assets and minimize exposure. If claimants were confined to proceeding only against the specific offending vessel, shipowners could evade liability by transferring ownership or restructuring corporate control. The Court held that where beneficial ownership of the offending vessel and the vessel sought to be arrested is identical at the time of commencement of proceedings, arrest of the sister ship is permissible. However, the doctrine cannot be stretched to pierce corporate veils merely because companies belong to the same corporate group. The determinative factor is beneficial ownership, not mere shareholding or group affiliation. Admiralty action in rem was characterized as a hybrid proceeding , nominally against the vessel but substantively aimed at securing the liability of the owner. Thus, the law permits arrest beyond the physical instrumentality of the wrong only where ownership continuity justifies it. The judgment underscored the tension between corporate personality and maritime realism, ultimately favoring commercial fairness without abandoning foundational corporate principles.

6. Arrest of Vessel Y is permissible only if ?

a) beneficial ownership is identical at commencement

b) both vessels operate under the same brand name

c) both are insured by the same insurer

d) directors are common

7. The timing relevant for determining beneficial ownership is ?

a) date of the maritime incident

b) date of filing the claim

c) date of vessel construction

d) date of cargo contract

8. Shared ultimate shareholders but separate registered ownership would ?

a) automatically justify arrest

b) justify veil piercing in admiralty

c) be irrelevant in all cases

d) be insufficient without proof of identical beneficial ownership

9. The doctrine primarily prevents ?

a) environmental degradation

b) fraudulent evasion of maritime liabilities

c) duplication of insurance claims

d) cargo mismanagement

10. Admiralty action in rem is best understood as ?

a) a criminal proceeding against property

b) a symbolic action detached from ownership

c) a mechanism securing owner liability through the vessel

d) a contractual arbitration substitute

Passage 3 (P.3)

A long-standing forest region, historically inhabited by indigenous communities, was declared a protected reserve to preserve biodiversity. The State initiated eviction proceedings against forest dwellers, arguing that conservation imperatives override habitation claims. The affected communities asserted that their traditional occupation predated formal state control and that statutory recognition of forest rights created enforceable entitlements. The Court was tasked with reconciling ecological preservation with social justice. It rejected the binary assumption that human habitation and conservation are inherently incompatible. Instead, it emphasized that forest governance must reflect historical injustices inflicted upon indigenous populations who were earlier dispossessed through colonial forest laws. The Court interpreted statutory forest rights legislation as remedial in character, intended to recognize pre-existing customary entitlements rather than grant fresh privileges. Accordingly, eviction without due recognition and settlement of rights would violate principles of natural justice and equality. However, the Court also clarified that recognition of forest rights does not confer absolute immunity from regulation. Conservation measures reasonably tailored to ecological necessity may validly restrict activities that degrade biodiversity. The balancing standard articulated was one of proportionality, state action must be necessary, suitable, and minimally impairing of recognized rights. The decision thus advanced a model of participatory conservation, rejecting fortress-style environmentalism while preserving the sovereignty of the State over natural resources.

11. The legislation discussed is primarily ?

a) distributive welfare policy

b) penal environmental regulation

c) privatization of forest land

d) remedial recognition of prior rights

12. Eviction prior to adjudication of claims would violate ?

a) separation of powers

b) procedural fairness principles

c) legislative supremacy

d) fiscal federalism

13. A conservation measure failing to consider less restrictive alternatives would ?

a) automatically be valid

b) satisfy proportionality

c) fail the necessity limb of proportionality

d) remain immune from review

14. Recognition of customary rights implies that such rights ?

a) override all ecological concerns

b) are absolute property rights

c) exist independent of statutory acknowledgment

d) are temporary administrative concessions

15. Participatory conservation suggests that ?

a) ecological protection and community stewardship can coexist

b) human habitation must always be removed

c) State sovereignty is abolished

d) forests must be commercially exploited

Answers

1. C – The doctrine of absolute liability imposes responsibility regardless of compliance with safety regulations or absence of fault.
2. A – The Court links the doctrine to the constitutional right to life and dignity, strengthening victims' ability to claim protection from hazardous industrial harm.
3. B – Absolute liability admits no exceptions, so even scientifically unavoidable accidents do not relieve the enterprise from compensating victims.

4. D – Compensation is tied to the financial strength of the enterprise so that it meaningfully compensates victims and discourages unsafe practices.
5. B – Unlike strict liability, the doctrine of absolute liability rejects traditional exceptions such as, act of God or third-party intervention.
6. A – The Court allows arrest of a sister ship only when the beneficial owner of both vessels is the same at the time proceedings begin.
7. B – The passage specifies that beneficial ownership must be identical at the commencement of proceedings, i.e., when the claim is filed.
8. D – Merely sharing shareholders or belonging to the same corporate group does not justify arrest unless beneficial ownership is the same.
9. B – The doctrine prevents shipowners from avoiding liability by shifting ownership among different single-ship companies.
10. C – Admiralty action in rem is formally against the vessel but practically functions to secure the liability of its owner.
11. D – The Court interprets the legislation as correcting historical injustices by recognizing pre-existing customary rights of indigenous communities.
12. B – Evicting communities before determining their claims would violate natural justice and due process.
13. C – If a less restrictive measure could achieve conservation goals, the action would not satisfy the necessity requirement of proportionality.
14. C – The law recognizes rights that already existed through customary occupation rather than creating entirely new entitlements.
15. A – Participatory conservation reflects the Court’s view that environmental protection can work alongside responsible community involvement.