

Weekly Update for Law Optional UPSC

A mix of Conceptual, Current/Contemporary Topics

2nd Feb - 9th Feb 2025

1. Mere Harassment Not Enough for Abetment of Suicide Under Section 306 IPC.....	1
2. Mere Directorship Not Enough for Liability Under Section 141 NI Act.....	2
3. One-Sided Forfeiture Clause in Apartment Buyer Agreements is Unfair Trade Practice.....	2
4. SC: High Court Judgment Cannot Be Declared Illegal Under Article 32.....	3
5. Limited Scope of Judicial Review Under Section 37 Arbitration Act.....	3

Weekly Focus

Case of the week: People's Union for Civil Liberties (PUCL) v. Union of India.....	4
PYQ Solution.....	5

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1. Mere Harassment Not Enough for Abetment of Suicide Under Section 306 IPC

The Supreme Court in *Ayyub vs. State of Uttar Pradesh* reiterated that for an offence under **Section 306 IPC (Abetment of Suicide)**, mere allegations of harassment are insufficient. The harassment must be so severe that it leaves the victim with **no alternative but to end their life**, and the accused must have had a **clear intention to instigate, aid, or abet** the suicide.

The case involved a suspected relationship between **Tanu (deceased)** and **Ziaul Rahman (deceased)**, the son of the first appellant. After Ziaul's death, allegedly due to a beating by Tanu's relatives, the appellants reportedly **humiliated and blamed Tanu**, which allegedly led to her suicide. A case was then filed against the appellants for abetment of suicide.

The Supreme Court found no **direct or indirect instigation** from the accused. For abetment under **Section 306 IPC**, there must be a **clear act of encouragement or provocation**. Feeling **humiliated or depressed alone does not amount to abetment**, unless the harassment is so extreme that suicide is the only alternative left. Here, **other possible reasons for distress**, such as **family disapproval or societal pressure**, were not explored.

The Court also noted that the **investigation was one-sided**, relying solely on the **complainant's version** without considering other angles. It questioned whether **Tanu's distress was entirely due to the appellants or if other factors played a role**. Finding the proceedings an **abuse of process**, the Court **quashed the charges** against the appellants. However, it ordered a **Special Investigation Team (SIT)** to **conduct a fresh, independent probe** into Tanu's unnatural death.

The court held following: **for abetment of suicide, there must be clear evidence of intent and instigation; mere harassment or humiliation does not automatically attract liability under Section 306 IPC; and investigations must be fair, balanced, and not rely solely on one version**. The ruling prevents the **misuse of abetment laws** and ensures that criminal liability is imposed only when a **direct intention to abet suicide** is established.

2. Mere Directorship Not Enough for Liability Under Section 141 NI Act

The Supreme Court in *Hitesh Verma vs. M/S Health Care at Home India Pvt. Ltd.* clarified the **twin requirements** under **Section 141 of the Negotiable Instruments Act, 1881 (NI Act)** for holding a director liable in cheque dishonour cases. It held that for a person to be vicariously liable, they must be **both "in charge of" and "responsible to" the company** for the conduct of its business at the time of the offence. Mere designation as a director is not enough to establish criminal liability under the Act.

The case arose from a complaint against a **company and its directors** for dishonour of cheques. The appellant, one of the directors, approached the **High Court seeking quashing of the complaint**, arguing that he was **not in charge of the company's day-to-day affairs** and was **not a signatory to the dishonoured cheques**. The High Court, however, refused to quash the complaint and imposed a **cost of ₹20,000** on the appellant. Aggrieved, the appellant approached the Supreme Court.

The Supreme Court observed that **Section 141(1) of the NI Act requires two essential conditions**: (1) the person must be **in charge of** the company's business, and (2) the person must be **responsible for** the conduct of its business. The Court emphasized that these are **two separate aspects**, both of which must be specifically alleged in the complaint to sustain criminal liability. Since there was **no assertion in the complaint** that the appellant was **in charge of the company's business at the time of the offence**, the Court held that the case against him was unsustainable. Further, as he was **not the signatory of the dishonoured cheque**, he could not be automatically held liable under **Section 138 read with Section 141 of the NI Act**.

Accordingly, the Supreme Court **quashed the proceedings** against the appellant while clarifying that its ruling did not affect the trial against other accused persons. This judgment reinforces the principle that **vicarious liability under Section 141 NI Act cannot be imposed merely based on a person's designation as a director**. There must be **specific allegations establishing their role in the company's business** to hold them accountable in cheque dishonour cases.

3. One-Sided Forfeiture Clause in Apartment Buyer Agreements is Unfair Trade Practice

The Supreme Court has ruled that **one-sided forfeiture clauses in builder-buyer agreements constitute unfair trade practices** under the **Consumer Protection Act, 1986**. The judgment provides relief to homebuyers by holding that **earnest money forfeited upon cancellation of flat bookings must be reasonable and cannot amount to a penalty under Section 74 of the Contract Act, 1872**.

The case involved **Godrej Projects Development Ltd.**, where the homebuyers had booked an apartment in the **Godrej Summit project in Gurgaon (2014)** but later **refused possession (2017)** due to market conditions. The builder **forfeited 20% of the earnest money**, citing a clause in the **Apartment Buyer Agreement (ABA)**. The buyers contested this, arguing that the forfeiture was **excessive and unfair** since their cancellation did not constitute a contract breach.

The **National Consumer Disputes Redressal Commission (NCDRC)** ruled in favor of the homebuyers, **reducing the forfeiture to 10% of the Basic Sale Price (BSP)** and ordering a refund of the remaining amount with **6% interest per annum**. Challenging this, the builder appealed to the **Supreme Court**.

The Supreme Court upheld the NCDRC's ruling, stating that the ABA was drafted in favor of the developer, leaving buyers with no real choice but to accept the terms. It ruled that unilateral clauses in such agreements are unfair trade practices as defined under Section 2(1)(r) of the Consumer Protection Act.

4. SC: High Court Judgment Cannot Be Declared Illegal Under Article 32

In the case of *Vimal Babu Dhumadiya vs. The State of Maharashtra*, the Supreme Court held that a High Court judgment cannot be declared illegal under Article 32 of the Constitution of India. The petitioners had filed a writ petition challenging a judgment by the Bombay High Court, which directed the demolition of five apartment complexes that were built without valid permits from the Mumbai Metropolitan Region Development Authority (MMRDA) on government land. The High Court had also made certain directions regarding compensation and rehabilitation for the flat owners.

The petitioners contended that they were not heard in the matter and were not impleaded as parties to the proceedings, which led to the impugned judgment being passed without their participation. They sought to have the judgment declared illegal and also prayed for the regularization of their apartments and the grant of occupancy or leasehold rights over the government land.

The Supreme Court, in its judgment, clarified that under Article 32, which grants the right to move the Supreme Court for the enforcement of fundamental rights, a High Court judgment cannot be declared illegal. The Court stated that if the petitioners felt aggrieved by the judgment, particularly for not being heard, their remedy would lie in filing a recall application before the High Court or challenging the judgment through a Special Leave Petition (SLP) under Article 136 before the Supreme Court.

The Court further emphasized that the petitioners' request to declare the judgment illegal was not a valid ground under Article 32, and they should pursue other legal remedies available to them. As a result, the Supreme Court dismissed the writ petition but left open the option for the petitioners to explore other remedies as per law.

5. Limited Scope of Judicial Review Under Section 37 Arbitration Act

The recent case of *M/s. C & C Constructions Ltd. vs. IRCON International Ltd.* examines the **narrow scope of judicial interference under Section 37 of the Arbitration and Conciliation Act, 1996**, particularly when an arbitral award has already been upheld under **Section 34**. The Supreme Court reiterated that appellate courts cannot reassess the merits of an arbitral award beyond the restrictions imposed under Section 34.

Facts: The dispute arose from an agreement between the **appellant (C & C Constructions Ltd.)** and the **respondent (IRCON International Ltd.)** for constructing five Road Over Bridges. The appellant claimed that delays were caused by the respondent and sought an **extension of time and monetary compensation**. The extension was granted, but the appellant was required to sign an **undertaking waiving future claims**. Despite this, the appellant initiated arbitration for compensation due to the delay.

The **arbitral tribunal rejected the claims**, following which the appellant filed a **Section 34 petition before the High Court** to set aside the award. The **Single Judge dismissed the petition**, and the **Division Bench, under Section 37, upheld the decision**. The appellant then approached the Supreme Court.

Legal Analysis: The Supreme Court, in line with past rulings, reaffirmed that **Section 37 does not grant wider powers than Section 34**. A court can only intervene under **Section 34** if there is "patent illegality" or a violation of natural justice. If the award has already been upheld under **Section 34**, appellate courts under **Section 37** cannot **re-evaluate the award's merits**. The Court relied on **Larsen Air Conditioning & Refrigeration Co. v. Union of India** and **Konkan Railway Corporation Ltd. v. Chenab Bridge Project Undertaking**, which held that:

- **Courts cannot re-examine contract interpretations** made by arbitrators if they are reasonable.
- **Interference under Section 37 must be limited to verifying that the exercise of power under Section 34 remained within legal bounds.**

Additionally, the Supreme Court rejected the appellant's argument regarding the **validity of Clause 49.5** of the contract. Since this issue was **not raised before the High Court**, the appellant could not introduce it for the first time before the Supreme Court.

Weekly Focus

Case of the week: People's Union for Civil Liberties (PUCL) v. Union of India

The central question in *People's Union for Civil Liberties (PUCL) v. Union of India* was whether the right to vote includes the right to reject all candidates, and if so, whether this right should be recognized and protected under the Indian Constitution.

The PUCL, a civil rights organization, filed a writ petition challenging the constitutional validity of Rules 41(2) & (3) and 49-O of the Conduct of Election Rules, 1961. These provisions required a voter who decided not to vote for any candidate to have their decision recorded by the presiding officer, thereby compromising the secrecy of the ballot. The petitioner argued that this violated the fundamental right to freedom of speech and expression under Article 19(1)(a) of the Constitution.

Legal Analysis: The Supreme Court examined whether the right not to vote, or to reject all candidates, is a facet of the fundamental right to freedom of speech and expression. The Court acknowledged that while the right to vote is a statutory right, the decision to vote or not vote for any candidate after evaluating their credentials is a form of expression under **Article 19(1)(a)**. The Court emphasized that maintaining the secrecy of the ballot is essential for free and fair elections, which form part of the basic structure of the Constitution. It held that the existing provisions, by not maintaining secrecy for those who choose not to vote for any candidate, infringed upon this fundamental right.

Conclusion: The Supreme Court directed the Election Commission to provide a "None of the Above" (NOTA) option on electronic voting machines and ballot papers, allowing voters to express their disapproval of all candidates while maintaining the secrecy of their decision. This landmark judgment recognized the right to reject as part of the fundamental right to freedom of speech and expression, thereby empowering voters and promoting democratic values.

PYQ Solution

“Notwithstanding transparency of governance, certain information have been exempted from disclosure under the Right to Information Act, 2006.” Discuss the relevant provisions and limitations on disclosure of information (10 MARKS)

The Right to Information Act, 2005 (RTI Act) was enacted to promote transparency and accountability in the functioning of public authorities in India. However, recognizing the need to balance openness with other critical concerns, the Act delineates specific exemptions where information may be withheld from disclosure.

Key Exemptions Under Section 8(1):

1. **National Security and Sovereignty:** Information that could compromise India's sovereignty, integrity, security, strategic interests, or international relations is exempted.
2. **Parliamentary Privilege:** Disclosure of information prohibited by courts or that may constitute a breach of parliamentary privilege is exempted.
3. **Commercial Confidence:** Information including trade secrets or intellectual property, which could harm the competitive position of a third party, is protected unless the larger public interest warrants disclosure.
4. **Fiduciary Relationships:** Information available to a person in their fiduciary relationship is exempted, unless the larger public interest warrants disclosure.
5. **Personal Privacy:** Disclosure of personal information that has no relationship to public activity or interest, or which would cause an unwarranted invasion of privacy, is exempted unless the larger public interest justifies it.

Additional Provisions:

- **Section 9:** Information whose disclosure would involve an infringement of copyright is exempted.
- **Section 24:** Certain intelligence and security organizations are excluded from the RTI Act's purview, except in cases of alleged human rights violations or corruption.

Limitations on Exemptions: Despite these exemptions, the Act incorporates safeguards to prevent misuse:

- **Public Interest Override:** If the public interest in disclosure outweighs the harm to the protected interests, information may be disclosed.
- **Time-bound Exemptions:** Exemptions under Section 8(1) do not apply if the information pertains to events that occurred 20 years before the request, subject to certain conditions.

These provisions aim to strike a balance between the need for transparency and the protection of sensitive information, ensuring that the RTI Act serves its purpose without compromising other vital interests.