

## Legal Reasoning Questions for CLAT | QB Set 26

Legitimate expectation, a principle rooted in administrative law, has now been recognised as a part of the constitutional framework under Article 14 of the Indian Constitution. This doctrine protects individuals from arbitrary state actions by ensuring that public authorities act fairly, particularly when citizens have been led to believe that they will receive a specific benefit or treatment. However, the principle does not always guarantee enforceable rights. In *Food Corporation of India v. Kamdhenu Cattle Feed Industries* (1993), the Supreme Court emphasised that non-arbitrariness is central to Article 14. Failure to consider legitimate expectations when making decisions can lead to state actions being labelled arbitrary, violating the rule of law. The Court clarified that while legitimate expectations do not automatically create enforceable rights, their dismissal without due consideration may render an action arbitrary, thus attracting judicial scrutiny under Article 14.

In *State of West Bengal v. Niranjan Singha* (2001), the Court addressed a case where an agent's expectation of contract renewal was denied. The Court held that legitimate expectation alone does not create a right, especially when terms like "may be extended" provide discretion to the state. This ruling highlighted that legitimate expectation is only an aspect of Article 14, and its violation depends on the existence of arbitrariness in the state's decision-making process. Further reinforcing this link, in *State of Jharkhand v. Brahmaputra Metalics* (2023), the Court found that delays in granting promised benefits were arbitrary and in violation of Article 14, invoking the doctrine of legitimate expectation. Similarly, in *NOIDA Entrepreneurs Association v. NOIDA* (2011), arbitrary decisions by authorities that violated reasonable expectations were deemed unconstitutional. Legitimate expectation serves as a safeguard against arbitrary state action and is intertwined with the non-arbitrariness principle under Article 14. When expectations arise from clear promises or established policies, and these expectations are dismissed without justification, Article 14 can be invoked to challenge such actions and ensure fairness.

## Questions

1. Amit is a government contractor who was promised by the state that his contract for a large infrastructure project would be renewed if he successfully completed the first phase. After completing the work as required, the state decides not to renew the contract without providing any justification. Amit files a case claiming a violation of legitimate expectation. What is Amit's strongest legal argument?

- a) The state has breached his right to continue the contract indefinitely.
- b) The state's decision is arbitrary because it created a legitimate expectation of renewal, and not renewing without justification violates Article 14.
- c) The state has violated his fundamental right to property under Article 300A.
- d) The doctrine of promissory estoppel applies, and the government must honour its promise.

2. Nandini, a teacher in a government school, was verbally assured by her school principal that her temporary teaching post would be made permanent after a year. However, after a year, she was not given the permanent post, and instead, someone else was hired. Nandini files a case citing a violation of legitimate expectation. Will she succeed?

- a) Yes, because she was promised a permanent position, creating a legitimate expectation.
- b) No, because a verbal assurance from a principal does not create a legitimate expectation under Article 14.
- c) Yes, because her temporary position had already been renewed for a year, strengthening her claim.
- d) No, because promotions and appointments are always at the discretion of the government.

3. Raghav runs a small business in an area that was declared a "special economic zone" (SEZ) by the government, which promised businesses like his tax exemptions for five years. After two years, the government revoked the SEZ status without warning,

ending the tax exemptions. Raghav files a case challenging the decision. What principle should he invoke?

- a) The revocation of the SEZ status violates his fundamental right to business under Article 19(1)(g).
- b) The revocation violates the doctrine of legitimate expectation, as the government's arbitrary action denied him the promised tax exemptions, violating Article 14.
- c) The government's decision is valid as it retains the right to change policies at any time.
- d) The doctrine of promissory estoppel should prevent the government from revoking its decision.

4. Meera is a public sector employee who was informally promised a promotion based on her performance. However, the promotion went to another employee, despite Meera's excellent record. Meera claims her legitimate expectation of promotion was violated. What is the most likely outcome of her case?

- a) Meera will succeed, as legitimate expectation creates a right to promotion.
- b) Meera will not succeed, as promotions are discretionary and not an automatic right based on performance alone.
- c) Meera will succeed, as her performance record supports her expectation of promotion.
- d) Meera will not succeed, as legitimate expectation only applies to contractual promises.

5. A real estate company was assured by the municipal corporation that certain development permissions would be granted under a new policy. However, after starting the project, the company's application for permission was rejected without explanation, leading to losses. The company files a case claiming a violation of legitimate expectations. What is the most likely legal issue the court will examine?

- a) Whether the rejection of permission violated the company's right to property.
- b) Whether the corporation's arbitrary rejection violated the company's legitimate expectation, as it was based on a clear policy promise, thus violating Article 14.

- c) Whether the company has a fundamental right to conduct business in the area under Article 19(1)(g).
- d) Whether the rejection amounts to a breach of contract between the company and the corporation.
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### Explanations and Answers:

**1. Answer: b) The state's decision is arbitrary because it created a legitimate expectation of renewal, and not renewing without justification violates Article 14.**

**Explanation:** In this case, Amit's strongest argument is that the state's decision not to renew his contract without justification is arbitrary and violates **Article 14**. Although legitimate expectation does not guarantee a right to renewal, the state must act fairly and non-arbitrarily, particularly if a promise was made. Denial without explanation may be challenged as arbitrary under the doctrine of legitimate expectation.

**2. Answer: b) No, because a verbal assurance from a principal does not create a legitimate expectation under Article 14.**

**Explanation:** For a claim of legitimate expectation to succeed, there must be a clear promise or formal policy. A verbal assurance from a school principal is not sufficient to create an enforceable legitimate expectation under **Article 14**. In this case, Nandini's claim would fail due to the lack of a formal or documented promise.

**3. Answer: b) The revocation violates the doctrine of legitimate expectation, as the government's arbitrary action denied him the promised tax exemptions, violating Article 14.**

**Explanation:** Raghav's strongest claim is that the government's decision to revoke the SEZ status without notice violates the doctrine of legitimate expectation. Since he relied on the government's promise of tax exemptions, revoking them without due process can be seen as arbitrary, thus violating **Article 14**, which ensures fairness in state action.

**4. Answer: b) Meera will not succeed, as promotions are discretionary and not an automatic right based on performance alone.**

**Explanation:** In **State of West Bengal v. Niranjan Singha (2001)**, the Supreme Court ruled that legitimate expectation does not guarantee enforceable rights, especially where promotions or appointments are discretionary. Meera's claim would not succeed because promotions, even when based on performance, remain a matter of discretion for the employer, and no formal policy or promise was violated.

**5. Answer: b) Whether the corporation's arbitrary rejection violated the company's legitimate expectation, as it was based on a clear policy promise, thus violating Article 14.**

**Explanation:** The key issue here is whether the municipal corporation's rejection of the company's application, which was based on a previously announced policy, was arbitrary. The company can argue that the corporation's actions violated its legitimate expectation, and this arbitrariness could be challenged under **Article 14**, which mandates fairness in administrative decisions.

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